DOCUMENT RESUME

ED 233 481 EA 016 046

AUTHOR	Holland, Richard P., Ed.
TITLE	The Interactions of Federal and Related State Education Programs. Volume II: State Case Studies.
INSTITUTION	Educational Testing Service, Princeton, N.J.
SPONS AGENCY	Department of Education, Washington, DC.
PUB DATE	Feb 83
CONTRACT	400-81-0022
NOTE	255p.; Funded as part of the School Finance Project. For related documents, see EA 016 044-045.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Reports - Research/Technical (143)
EDRS PRICE	MF01/PC11 Plus Postage.
DESCRIPTORS	Compliance (Legal); Conflict; Educational Administration; Educational Environment; *Educational Opportunities; Educational Policy; Elementary Secondary Education; *Federal Legislation; *Federal Programs; *Federal State Relationship; Government Publications; Interviews; Participative Decision Making; *Politics of Education; Social Influences; Special Education; State Aid; State Departments of Education; State Federal Aid; *State Programs
IDENTIFIERS	*Federalism

ABSTRACT

This collection of case studies of eight states--California, Louisiana, Massachusetts, Missouri, New Mexico, New York, Virginia, Wyoming--documents a 1981-82 investigation of federal and state administrative interactions across a select sample of federal education programs. To represent a wide spectrum of political, economic, and institutional environments relevant to educational policy administration, six criteria were used in picking the sample, including (1) state support for education, (2) state fiscal stress, (3) regional location, and (4) state political culture. A second set of factors included state efforts to coordinate federal and state special pupil programs and state policies of particular interest. Each case study relied on documentary material and personal interviews with an average of 40 individuals at the state and local levels. Topics studied included state management of federal and state programs, and state political environment. Results indicate that (1) both federal and state governments are shapers of state education policy decisions, (2) federal and state policy priorities for special students are frequently divergent, (3) state educational agencies are better organized than 15 years ago but dependent on federal dollars, and (4) intergovernmental conflicts between state and federal governments are relatively mild and uncommon. (JBM)

****
*   Reproductions supplied by EDRS are the best that can be made   *
*   from the original document.   *
****

ED233481

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

THE INTERACTION OF FEDERAL AND RELATED STATE EDUCATION PROGRAMS

Volume II

EDUCATIONAL TESTING SERVICE
DIVISION OF EDUCATION POLICY RESEARCH AND SERVICES
Rosedale Road
Princeton, New Jersey 08541

February 1983

EA 016 046

The Interactions of Federal and Related State Education Programs

Volume II
State Case Studies

Richard P. Holland, Editor

February 1983

This report was prepared by Educational Testing Service, Princeton, New Jersey, under Contract No. 400-81-0022, for the School Finance Project, U.S. Department of Education. The contents do not necessarily reflect the position or policy of the U.S. Department of Education and no official endorsement by the Department of Education should be inferred.

TABLE OF CONTENTS

PAGE

PREFACE.. i

THE INTERACTION OF FEDERAL AND STATE PROGRAMS FOR SPECIAL NEEDS STUDENTS:

CALIFORNIA
Jane L. David

Introduction: The State Context........................ 1

Education Policy... 2

The SEA as an Organization.............................. 12

State Political Environment............................. 16

Administration of State and Federal Programs............ 19

Summary.. 28

LOUISIANA
Jane Sjogren
Brenda J. Turnbull

Introduction... 31

Education Policy Within the State....................... 33

The Interactions of Federal and State Policies and Programs.............................. 45

Summary.. 55

MASSACHUSETTS
Jane Sjogren
Brenda J. Turnbull

Introduction... 57

Education Policy Within the State....................... 61

The Interactions of Federal and State Policies and Programs.............................. 70

Summary.. 83

TABLE OF CONTENTS

PAGE

MISSOURI

Richard P. Coley
Margaret E. Goertz

Introduction.. 87

Education Policy in Missouri.................................. 90

The State Education Agency as an Organization............. 99

The Political Environment of Educational Policymaking.. 103

The Administration of State and Federal Programs for Special Needs Students............................ 106

Summary.. 112

NEW MEXICO

Harold Winslow

Introduction: The State Context.......................... 115

Education Policy Within the State........................ 116

The SEA as an Organization................................ 125

State Political Environment................................ 133

Administration of State and Federal Programs............. 139

Summary.. 147

NEW YORK

Richard P. Coley
Margaret E. Goertz

Introduction.. 151

Education Policy in New York State........................ 154

The State Education Agency as an Organization............. 165

The Political Environment of Educational Policymaking.. 171

The Administration of State and Federal Programs for Special Needs Students............................ 176

Summary.. 181

PAGE

VIRGINIA
Terry W. Hartle

Introduction: The State Context.......................... 183

Education Policy Within the State......................... 188

Education Programs for Special Needs Students............. 195

The Effects of Federal Education Programs on the SEA as an Organization.......................... 201

The Effects of Federal Programs on the Political Environment.................................. 204

The Effects of Federal Programs on State Policies and Programs.................................. 206

The Influence of Federal Programs on State Programs and Practices............................ 207

The Consequences of Federal and State Program Interactions.................................. 209

Summary.. 211

WYOMING
Richard P. Holland

Introduction.. 213

Education Policy Within the State......................... 216

Education Programs for Special Needs Youth................ 227

The Interactions of Federal and State Policies and Programs.................................. 234

Summary.. 238

GLOSSARY... 241

PREFACE

In July 1981, the Education Policy Research Institute (EPRI) of Educational Testing Service (ETS) began an eighteen-month study of how federal and state governments interacted as they implemented major federal education programs and civil rights mandates. The project, funded by the Congressionally mandated School Finance Project of the U.S. Department of Education, addressed a fundamental issue in the distribution of federal assistance to state and local governments: the balance between federal objectives and the need for accountability on the one hand, and recipients' need for flexibility and discretion on the other. This volume contains eight comparative case studies used to investigate federal and state administrative interactions across a select sample of federal education programs. A separate volume, The Interactions of Federal and Related State Education Programs - Volume I, discusses the study's findings which were primarily derived from an analysis of the state case studies contained herein.

We present these state case studies for several reasons. First, they provide readers with documentation for our Volume I findings regarding the current status of intergovernmental program administration in education. Second, the state cases offer useful insights into the diverse contexts, administrative approaches and educational concerns that characterized the states in the 1981-82 school year. The individual case studies break down notions that all states are alike or respond uniformly to all forms of federal intervention. Finally, these case studies will allow future researchers to interpret state educational developments and responses to federal aid over time. We hope that researchers will be able to reassess the states we studied at another point in time to provide policymakers with a better understanding of changing patterns in the states.

As noted, the individual case studies were developed to address particular questions related to state administration of federal education programs. Accordingly, a brief review of the study of which they are part is necessary to explain the information described in each case study.

Overview of the Interactions Study

The study focused on two major dimensions of the intergovernmental system: state administration of a select set of major federal education programs; and, federal and state interactions surrounding special pupil programs. The federal programs and civil rights provisions examined included: Titles I, IV, V and VII of the Elementary and Secondary Education Act (ESEA); the Education for All Handicapped Children Act (P.L. 94-142); the Vocational Education Act; Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; and Section 504 of the Rehabilitation Act of 1973. The state programs studied were those analogous in purpose to these federal programs.

The federal programs examined predate the revisions made by the 1981 Education Consolidation and Improvement Act (ECIA). That legislation had just been enacted when the study began, making it impossible to assess the impact of ECIA in the field. The following brief profiles describe the federal programs we studied in each state.

- Title I of the Elementary and Secondary Education Act, the largest federal elementary and secondary education program, provides funds to local school districts to meet the needs of educationally disadvantaged children residing in high-poverty areas. Title I also contains set-aside amounts for institutionalized handicapped children, children who are neglected or delinquent, and children of migratory workers. Funds are allocated to local school districts (and schools within districts) based on low-income criteria. Once funds reach the school level, students are selected for participation in the program by educational achievement criteria. ECIA revisions changed the name of this program to Chapter 1 and reduced the administrative requirements on states and local school districts.

- Title IV of the Elementary and Secondary Education Act includes Part B (grants for instructional materials) and Part C (grants to improve the quality of educational practices through locally initiated projects and activities). Federal grant allocations, based on each state's share of the national student population, are made to each state that has filed an approved plan with the Department of Education. Under Part B (instructional materials), SEAs allocate funds to LEAs on the basis of public and private school enrollment, with adjustments to reflect local tax effort, expenditure levels and percentages of high-cost children. SEAs distribute Part C funds for innovative or exemplary programs to LEAs on a competitive grant basis; 15% of a state's allocation is earmarked for projects for handicapped children. ECIA has consolidated this program into the Chapter 2 education block grant.

- Title V of the Elementary and Secondary Education Act was designed to help SEAs develop the capacity to undertake the administrative responsibilities imposed by the various federal education programs. Funds are intended to strengthen the educational leadership in the SEA and to assist it in identifying and meeting critical educational needs. Approvable activities include designing more equitable school finance programs, assessing educational progress, teacher assistance, dissemination, training, and curriculum development. Title V is now part of the ECIA Chapter 2 block grant.

- Title VII of the Elementary and Secondary Education Act, the Bilingual Education Act, provides grants on a competitive basis directly to local districts. SEAs are eligible to receive five percent of the Title VII district grants in the state for coordination of state technical assistance activities. Title VII legislation is very specific about the definition of bilingual programs eligible to receive federal support. The statute defines a bilingual program as including "instruction given in, and study of, English and, to the extent necessary to allow a child to achieve competence in the English language, the native language of the child." (20 USC 3223 (a) (4)).

- P.L. 94-142, the Education for All Handicapped Children Act, has three goals: 1) ensuring that all handicapped children have available to them a free appropriate public education (FAPE); 2) ensuring that the rights of handicapped children and their parents are protected; and 3) assisting states and localities in providing for the education of the handicapped.

  P.L. 94-142 provides pupil-based formula grants to SEAs that submit acceptable state plans to Washington. While 25% of this federal aid may be used for SEA administration and for services provided directly by the SEA, the remainder is allocated by federal formula to LEAs that submit acceptable applications to the SEA.

- The Vocational Education Act of 1963, as amended, is the oldest federal education program. Its purpose is to help states build vocational programs and improve planning for vocational education and manpower training. To accomplish its goal, the legislation includes extensive state-level planning requirements, funding for special needs groups, and matching requirements to ensure appropriate levels of state financial participation. In allocating funds to local school districts, states must give priority to economically depressed areas and areas with high unemployment levels, and recognize district financial ability and low-income concentrations. While VEA aid is fairly unrestricted in its use, the law contains set-asides for the handicapped, disadvantaged, limited English-speaking students, and for postsecondary and adult programs.

- Civil Rights Laws that pertain most directly to educational discrimination are Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973. These laws forbid discrimination by recipients of federal aid on the basis of race, color, or national origin; sex; and handicapping condition, respectively. These laws provide no federal funds; rather, recipients who receive federal financial assistance must abide by these requirements as a condition of receiving that assistance. Federal aid recipients must file an assurance of compliance with these laws or be implementing a plan to achieve compliance.

After completing a thorough analysis of the requirements contained in these federal laws, in the spring of 1982 we visited eight states to ascertain the administrative effects and program interactions associated with these programs. The states included California, Louisiana, Massachusetts, Missouri, New Mexico, New York, Virginia, and Wyoming. These states were selected to represent a wide spectrum of political, economic, and institutional environments relevant to the administration of education policy. We emphasized six criteria in picking the sample: state support for education; state fiscal stress; number and size of state programs for special pupil populations; federal aid as a percentage of total revenue for education; regional location; and state political culture. We enriched the state sample with a second set of factors. These included efforts by states to coordinate federal and state special pupil programs and particularly interesting state policies such as pupil weighting finance systems and tax and expenditure limitations.[1]

For each state studied, we prepared a written case study. Each case study relied on documentary material collected about that state and personal interviews with an average of 40 individuals at the state and local levels. Within each state, we spoke with SEA officials and staff, legislators and their staff, gubernatorial staff, interest group representatives, local school administrators, and where possible, journalists who covered education. The wide spectrum of states and persons, coupled with the scope and intensity of our interviews, give us confidence that the states studied were representative of the educational conditions and concerns existing across the 50 states.

Within the states we focused on a broad range of topics relevant to the state's administration of federal education programs and the interactions between federal and state education programs. These focal topics fell into four broad categories: state management of federal programs; state management of state programs; state education agencies as organizations; and state political environment. These categories allowed us not only to describe the states' management of federal and related state programs but also to interpret the reasons behind the administrative patterns which emerged.

As Volume I discusses in detail, the results of our analyses of federal program provisions and state responses to those provisions indicated that both the federal government and the states are strong actors in shaping education policy directions in the states. We also observed that federal and state policy priorities for the education of special needs students, while convergent in some cases, more frequently remain divergent. The state education agencies we studied exhibited better organizational capacities relative to those in existence 15 years ago, but these capacities depend significantly on federal dollars. Finally, our analyses revealed that while intergovernmental conflicts characterize some areas of federal policy in the states, these conflicts are neither massive nor common across all federal programs.

Presentation and Contents of the Case Studies

The state case studies presented in this volume follow a similar pattern designed to assist the reader in making comparisons among them. Each case is introduced by a brief section which identifies major themes that shape education policy in the state. Subsequent sections describe relevant components of education policy in the state, the organization of the state education agency and the political environment surrounding educational policymaking. The last section of each case explores the administration of state and federal programs for special needs students in the state. This section contains analyses of state influences on federal programs, federal influences on state programs, and federal-state compatibilities and conflicts with regard to education policy.

---

[1] For a more detailed description of the states sampled see Volume I, pp. 45-50.

In developing these comparative case studies we had to make relative assessments of state actions or phenomena. In a given state, for example, policymakers may view their own monitoring or technical assistance activities as quite intense. Compared to other states, however, these efforts may appear modest. The eight state case studies comprising this volume assess state actions relative to other states in the sample and to current literature about the states.[1] These relative measures do not negate assessments made by policymakers within a state who are measuring state performance against a different standard.

Information contained in the case studies was collected in the spring of 1982. In several states, events and conditions have changed since our field visits. In some instances elected officials have changed; fiscal conditions and program plans are likely to have shifted as well. Where obvious to us we have footnoted some of these changes, but to maintain comparability across the case studies, we present conditions and policies as they existed in the spring of 1982. Readers should not assume that these conditions and policies remain the same today.

Prior to final presentation of the state case studies, we afforded each chief state school officer (or his or her designated staff) an opportunity to review and provide comments to us about their contents. We used these comments as a cross-check on our own description of the state's educational policies and response to federal program provisions. Where it became clear we had made errors, we corrected them. Where major differences of interpretation emerged, we inserted footnotes to note discrepancies between our data and the perspective of the chief state school officer. In no way, however, are state officials reviewing these case studies responsible for the interpretations and conclusions presented. These remain the sole responsibility of the authors.

---

[1] Milstein, Mike M. Impact and Response, New York: Teachers College Press, 1976; Larson, M.A., Winslow, H.R. et al. Finding the Common Denominator: The Capacity of State Agencies to Assist the HEW Office for Civil Rights, HEW Contract OEC 300-76-0025, Menlo Park, CA: SRI International, September 1979; McDonnell, Lorraine M., & McLaughlin, Milbrey W. Program Consolidation and the State Role in ESEA Title IV, Santa Monica, CA: The Rand Croporation, April 1980; Orland, Martin E., & Goettel, Robert J. "States and the Implementation of Federal Categorical Programs in Education: A Heuristic Framework." Education Evaluation and Policy Analysis, Vol. 4, No. 2, Summer 1982, pp. 141-155; and McDonnell, Lorraine, & McLaughlin, Milbrey W. Education Policy and the Role of the States, Santa Monica, CA: The Rand Corporation, May 1982.

CALIFORNIA STATE PROFILE

Jane L. David

Introduction: The State Context

State Environment

The state of California has traditionally been progressive in all areas of social service, especially in education. Over 60% of the state budget is for education with half of that directed to elementary and secondary public schools. Politically, the state reflects a high degree of sophistication and a remarkable absence of corruption. State politicians are highly visible; interest groups are active; and powerful coalition politics are the order of the day. Economically, the state has been relatively well off until quite recently. Proposition 13 signalled the beginning of the now nationwide tax revolt and the end of a fat state budget. Proposition 13 set limits on property taxes which had soared as property values soared. Because of a large state surplus, which was used to bail out areas hard hit by lower revenues, the effects of Proposition 13 are really just now beginning to be felt for the first time. The 1982-83 budget represents the first reduction in state spending since World War II. Nevertheless, in June 1982 the voters approved several new propositions all of which will result in lower revenues for the state (including abolition of the inheritance tax). The traditional liberal north/conservative south split is no longer visible when it comes to issues of taxation; nor is it evident in the areas of crime and violence and education. The Superintendent of Public Instruction during the conduct of California site visits, Wilson Riles, unsuccessfully ran for a fourth term against a "back to basics" candidate who previously had little name recognition.

The state is large and diverse. California has four of the 20 largest cities in the U.S. as well as vast agricultural areas that depend on migrant labor. Thus the 1,043 school districts vary considerably in their physical and demographic characteristics. (Of these districts, 262 are unified, 666 are elementary and 115 are high school.) Between 1967 and 1979 the total public school population decreased by eight percent, reflecting a decrease of 26% in the white student population and an increase of 45% in minority students. As of 1979, roughly 23% of the student population was Hispanic, 10% Black, 7% other minorities (Asian, Filipino and American Indian), and the remaining 60% white. The total student population in the state's 7,404 public schools is roughly 4.4 million. Over 470,000 students attend 3,019 private schools, 1,589 of which are church affiliated. As of 1979 (the year for which most of these numbers pertain), the state average daily attendance (ADA) was $1,790. Total funding for ADA was $2,347.

Major Themes

At this point, money is a major theme in education policy. This is the first year that districts have faced declining resources (if not in absolute dollars, in the absence of cost-of-living increases). In the past, there has been strong legislative support for education, but with fewer dollars, the attractiveness of education has waned for legislators. Three factors that emerged in the 1970s should be kept in mind: (1) the introduction of an equalization formula as a result of Serrano (causing a 10% increase in the state share), (2) the passage of Proposition 13 (another 20% increase in the state share), and (3) a doubling in total funding (reflecting increases in the foundation program and the introduction of several new programs).

Education policy is also strongly affected by the Superintendent of Public Instruction (SPI), elected every four years in a nonpartisan general election. Thus the SPI has a base of political support as broad as the governor's and is considered the second most powerful official. Wilson Riles had held that position for the past twelve years. Contrasting his leadership with that of Rafferty, his immediate predecessor, it is clear that the strength of the position depends upon the person. Riles provided strong educational leadership, particularly in the early seventies, and, with strong legislative backing, set a reform agenda some of which will persist beyond his tenure.

Education policy is also affected by strong coalitions, sophisticated bargaining among competing interest groups, and a number of extremely well-informed and intelligent actors in Sacramento. Thus in spite of Riles' strong personality, leadership and legislative support, many of his programs reflect political compromises that were necessary to assure passage.

Although there is a tipping of the hat to strong local control, the state has always exercised considerable control in education. In the late sixties, the California Education Code exceeded 2,300 pages. Local control seems to reflect (a) something wealthy districts thought they had before equalization and (b) the strong influence of the big cities in education policy (both through lobbying and through their representatives in the legislature).

Education Policy

Structure

History. Since the mid-1960s, the strongest leadership in the state education agency (SEA) came from Wilson Riles and his handpicked staff. Although Max Rafferty was then Superintendent of Public Instruction, he exercised little leadership in issues of department organization (which were largely ignored during the 1960s) and in issues of educational services and programs, particularly compensatory education. Riles and his staff always viewed themselves as progressive and in the vanguard of educational reform nationwide. Riles brought to the SEA commitments to compensatory education, to educational improvement through state action, to accountability, and later to the philosophy of school-based reform. Riles' ascent was the result of legislative sentiment against Rafferty and fear that compensatory education would be lost within the department. It marked the beginning of substantive educational leadership in the state. The legislature had already indicated its support for compensatory education through enacting the MacAteer Act in 1963, two years before the Elementary and Secondary Education Act (ESEA) was enacted. At this time the legislature established an independent advisory commission to supervise compensatory education which in turn appointed Riles as director. The commission was to report directly to the state board thus bypassing Rafferty completely. When ESEA Title I was passed, Riles was in full control of compensatory education with the support of the advisory commission, the state board and the legislature.

Riles not only believed in the concept of compensatory education; he also believed in the necessity of strong regulation to ensure that funds were translated into services for the target students. When ESEA passed in Washington, the California legislature dropped its efforts to fund compensatory education. However, because of these early efforts in compensatory education, Riles and others had a headstart in thinking about how such a program might be administered. When ESEA began, there were few clear regulations and guidelines from the United States Office of Education (USOE). Riles, on the other hand, had some clear notions of how the program should be administered. In 1965 he was ready to write Title I guidelines for California and to recruit talented staff. As a result, the SEA guidelines for Title I were more farreaching and stringent than the USOE guidelines. In fact, according to some, these policies served as models for USOE which subsequently adopted many of the rules promulgated in California. These included Riles' insistence on concentration, formal evaluation, and state priorities for program content, as well as the first mandated parent advisory councils in the country.

Riles' leadership became more visible and pronounced following his election in 1970 to the post of SPI. By the time he had settled into this job, his own philosophy had been altered by his experiences with ESEA Title I. His experiences called into question two basic assumptions underlying categorical programs. The first was that there was a strong definable base program which the categoricals were designed to supplement. The early years of Title I and other categoricals suggested to Riles that the base program was far more fragile than had been assumed and was thus affected negatively in many cases by supplementary programs. The second was that decisions concerning program content and structure should be made by authorities above the level of the school. Riles believed that the school should be the locus of decision-making. His philosophy was reflected in the Early Childhood Education (ECE) program passed by the legislature in 1972. Reflecting numerous political compromises (resulting in less regulation than Riles would have liked), the ECE program differed radically from the earlier categorical approach in several ways. First, it was targeted to schools rather than particular students within the schools. (A focus on disadvantaged students was maintained by requiring that half the participating schools be those scoring below their district's test score median). Second, the program shifted the locus of decision-making about the substance and structure of the program to the school level. Third, a new concept of monitoring was introduced which involved visits to schools by state staff to judge the quality of the program, rather than only paper compliance. ECE was passed as part of SB90, the first attempt to equalize school finance in response to Serrano at a level of $25 million. ECE was included in Reagan's proposed legislation and the Senate's final version to ensure the support of Riles and his large constituency. Included also was the first large state compensatory education (SCE) program, Education for Disadvantaged Youth (EDY). This was funded at a level of $85 million, the largest program ever funded, and was included as a vehicle for urban aid to ensure the support of the Assembly.

In the mid seventies, the SEA introduced the notion of a consolidated application primarily as a matter of administrative convenience for the state. The Board had been faced with approving district applications program by program, each on a different schedule. The consolidated application allowed districts to submit one application for several state and federal programs (excluding special education and vocational education). Referred to by some as "staple-gun consolidation," there are differences of opinion over the extent to which this approach lessened the paperwork burden on districts. Its main effect was to simplify the approval process for the Board and district compliance reviews by the SEA.

Because SB90 did not satisfy the courts on equalization, a new bill was created in 1976 which again revised the funding formulas. This bill, AB65, included the School Improvement Program (SIP), which was an extension of ECE and viewed as general school reform, no longer restricted to early childhood. SIP continued the school-based philosophy of ECE and reflected changes that were partly a result of lessons from the ECE experience and partly the result of political compromises. AB65 also converted EDY to Economic Impact Aid (EIA), which combined compensatory education and bilingual education. In addition, AB65 extended the concept of the consolidated programs. At the same time the legislature passed the Master Plan for Special Education which anticipated the Larry P. decision and the passge of P.L. 94-142. Hence, by the late 1970s California had its own version of each of the major categorical programs.

The Major Programs and Funding Levels. The figures for each program are based on 1981-82 data from the Governor's budget.

Table 1

Major Federal and State Programs

Federal Programs (in thousands)

ESEA Title I	$257,483
Title I Migrant	66,666
Title II Basic Skills	637
Title IV-B	15,530
Title IV-C Handicapped	1,068
Title IV-C Innovation	18,693
Title V-B	3,703
Title VII	1,012
Total ESEA	364,792
Vocational Education Act	72,062
P.L. 94-142	99,873

Table 1 (cont.)

Other (Includes $300 million in child nutrition and many small programs)	
Total Federal Dollars	$858,603
State Programs (selected, in thousands)	
Special Education	$677,080
School Improvement Program	162,695
Economic Impact Aid (Includes compensatory and limited English proficient (LEP) programs)	171,737
Vocational Education	89,778

There are a variety of smaller programs not included. Of the above programs, ESEA Title I, IV-B, IV-C, SIP, and EIA are included in the consolidated application.

Funding Systems. California districts presently receive about 60% of their support from state funds, 10% from federal, and about 26% from local revenues. (These figures and every other are different in every source document.) Approximately 31% ($8.3 billion) of the state budget goes to elementary and secondary education. Three-quarters of the state share is distributed as revenue limit aid. ABB, the legislation to implement Proposition 13 in school districts, established a new method of computing revenue limits and apportionments to supplement local resources for the basic support of K-12 schools. Districts calculate a total revenue limit that consists of a base revenue limit plus various revenue limit adjustments. The base revenue limit is adjusted annually for inflation; a "squeeze factor" gives smaller inflation adjustments to high-revenue districts than to low ones. The revenue limit adjustments are calculated annually and are used to provide revenues for special needs or circumstances that change from year to year. Each district subtracts the local income it receives under its share of Proposition 13's one percent maximum tax rate from its total revenue limit. The remainder is the amount of revenue limit aid, or general operating aid, the district receives. In addition, Urban Impact Aid to districts provides general education aid to school districts that are large and have high concentrations of minority and economically disadvantaged youth.

The remaining state aid is distributed through a series of categorical aid programs and the School Improvement Program. Under California's Master Plan for Special Education, special education aid is allocated according to the actual number of instructional personnel service (IPS) units operated in a district, up to a limit of serving 10% of the pupil population. The entitlements, which also include an amount for services such as administration, psychologists, nurses, equipment, supplies, maintenance and operations, are equal to the 1979-80 cost for each type of unit, increased annually by an inflation factor, minus federal aid and local revenues.

Funding is also provided to regionalized services, transportation, program specialists and for exceptional children in non-public, nonsectarian schools.

Several programs provide districts with additional resources to educate disadvantaged students. By far the most significant of these is Economic Impact Aid which allocates state aid to districts on the basis of the number of children from low-income families, the percent of limited or non-English speaking students, and the amount of pupil transciency.

The School Improvement Program provides a fixed per student allocation: $30 per pupil for planning grants and for implementation grants, $148 per pupil in grades K-3, $90 in grades 4-8, and $65 for high school students. All public elementary and secondary schools were eligible when the program was still expanding, and participation is voluntary. The only restriction is that within a given district, at least half of the participating schools must be among those with the highest concentrations of educationally disadvantaged students (that is, with achievement scores below the district median).

Key Actors and Events. The key actors in educational policy in California are the SPI and the legislature (particularly the Assembly with its four key education leaders and strong committee staff) which includes the Legislative Analyst's Office. Next are the various lobbying groups, the strongest of which are representatives of the big cities, the teachers unions, but foremost, three lobbyists who represent various groups and are extremely knowledgeable about the formation of educational policy and the legislature. All have worked for years in the SEA, on legislative staff and in representing big cities and hence are able to exert tremendous influence through their knowledge of the issues and the system. The State Board is fairly weak and usually beset with internal conflict. The Governor is rarely involved; occasionally the Department of Finance enters the picture.

The main events of the last decade include the Serrano decision, which led to the various versions of finance equalization, and Proposition 13, which limited local property tax revenues (and hence the local share of education funding). California has led the nation in several other landmark events including the Lau decision and the Larry P. case (disproportionate placements of minorities in special education). In Title I, the Richmond case (Alexander v. Califano) on distribution of state compensatory education and Title I funds has had a major effect.

SEA Organizational Divisions and Style. The SEA is divided into two major parts each headed by a deputy superintendent: Administration (which includes finance) and Programs. Programs is further divided into six main units: Consolidated Programs, Special Education, Vocational Education, Continuing Education, State Special Schools, and Curriculum and Support Services. The Consolidated Programs Unit includes Titles I and IV, SIP, EIA (LEP and SCE), and several smaller state programs. But the organization chart doesn't reflect very much about actual SEA opera-

CALIFORNIA STATE DEPARTMENT OF EDUCATION MAJOR DIVISIONS[1]
(AND SIZE OF STAFF)

Superintendent of
Public Instruction

Executive
Office (200)[2]

Deputy Superintendent
for Administration
(82)

Deputy Superintendent
for Programs
(18)

Division of
Child Development & Nutrition Services
(371)

Division of
Financial
Services
(245)

Continuing
Education
(77)

Consolidated
Programs
(167)

Curriculum &
Support Services
(213)

State Special
Schools
(1094)

Special
Education
(106)

Vocational
Education
(120)

---

[1] From the Auditor General's Report, 1981. "Overview of the Organization, Roles, and Responsibilities of the State department of Education."

[2] This office includes a number of offices: Legal, Policy, Research and Evaluation, Intergroup Relations, Governmental Affairs, etc.

tion. (See attached chart; the numbers reflect number of positions.) Much of the power is concentrated in a small cadre of people who came in with Riles and thus have been there 10 to 12 years. There are four key people, two of whom are referred to as Riles' alteregos (very political and very influential -- they've run all of Riles' campaigns) and two one step removed (very knowledgeable and very skilled with the legislature). These people essentially run the department, although only two have significant positions on the organization chart (the two deputy superintendents, one falling in each of the two categories described above). They, as well as many of the younger staff hired in the seventies, speak the school-based philosophy with striking consistency -- a "party line" spoken with ease and sincerity. The SEA has always been characterized as being top-heavy, but it's not clear whether this refers primarily to the concentration of power or the number of staff.

Operation of Federal and State Programs

This section briefly describes Special Education, the Consolidated Programs (the main of which are Compensatory Education, Bilingual Education and SIP), Vocational Education, and Civil Rights. These descriptions are followed by a few comments about the current status of Chapters 1 and 2 of the Education Consolidation and Improvement Act (ECIA).

Special Education. Special education in California operated under Part 30 of the Education Code which incorporates all the requirements of P.L. 94-142 and the Master Plan. The revenues come from five sources (federal entitlements, revenue limits per average daily attendance (ADA) for special classes, general fund contribution, property taxes assigned -- county only, and special education allowances). The requirements of the Master Plan overlap substantially with those of P.L. 94-142. From the local perspective there is one pot of special education money that must be spent according to state regulations (that subsume P.L. 94-142 requirements). In response to the $180 million deficit of 1980-81, a new law was passed which in essence reduces the entitlements. (Hence, another deficit is expected.)

The Master Plan, the phase-in of which was begun prior to P.L. 94-142, was designed to integrate special education more with the regular program. Although special education still operates fairly separately at the state and local levels, general sentiment is that there is much more integration with the regular program than in the past (when special education was essentially a separate empire). Another major intent of the Master Plan was to abandon the classification by handicapping condition in favor of a service-based model. But because local staff are accustomed to the old state categories and because data must be reported to Washington by different classifications, this intent has not been fully realized.

The SEA unit that administers special education has a staff of 100 plus and is headed by a new director who has just reorganized the unit. The reorganization is intended to coordinate technical assistance (which has to do with fiscal and management issues, not instruction); to increase oversight and compliance; and to focus on the quality of special education and its integration with the regular program and with SIP. This ties in with the recent inclusion of special education in the quality portion of the consolidated programs review. The office seems to reflect the general SEA view of distrusting the districts and believing that California is more progressive than the federal government. ("P.L. 94-142 just brings everyone up to a base -- we are ahead of that.") In spite of complaints about P.L. 94-142, however, SEA staff think pulling out of the federal law would "be a shame." There is presently a legislative mandate to study the impact of such action.

Consolidated Programs/Monitoring and Review. Program consolidation in California is reflected in two main activities. First, districts prepare one application for receipt of funds under SIP, SCE, LEP, Title I and other smaller programs. Second, schools receiving funds under any of these programs must prepare annually a consolidated program plan which presents a school line-item budget for each of the programs and a plan for each of the programs that includes goals, objectives and evaluation plans. On a rotating schedule SEA staff (usually paid consultants) or staff from neighboring districts trained by the SEA conduct a school-level review. A team visits a school for two or three days to (1) evaluate the quality of services provided under the programs and (2) judge whether the school is in compliance with all the various program regulations. The SEA bills the reviews as primarily focused on quality. Schools, however, perceive the reviews to be focused more on compliance: (a) Are we doing what we said in the plan? and (b) Have we broken any rules? This approach, reflective of the SEA's school-based philosophy, strongly influences the way in which all the consolidated programs are operated in the SEA.

Compensatory Education. Title I and SCE are operated out of the consolidated application division, thus it is difficult to characterize a unique operating style for compensatory education. The state program is part of EIA (Economic Impact Aid), which channels funds to districts according to a complex pupil-weighted formula that is based on family poverty, Asian and Spanish surnames (and Indian students), and pupil transiency. However, the amount actually spent on compensatory education is that which is left after providing services to LEP students. (See below) Within a district, the distribution of funds can follow one of five complicated alternatives designed to ensure that Title I funds do not supplant SCE funds. The main controversy that surrounds the administration of Title I as one of several consolidated programs centers on whether this approach results in more coordinated services at the school level for disadvantged students or whether Title I gets lost because it is essentially perceived as part of a larger pot of money for several types of services. Those concerned with a clean audit trail within a school tend to hold the latter view, while the SEA leadership holds the former.

Bilingual Education. California's bilingual program is funded under EIA along with SCE. The program is highly prescriptive including the specification of six types of programs to be offered. It requires that services be provided to all LEP pupils in the state. Special programs must be established where 10 or more pupils within a grade at a school share a primary language other than English. Below this threshhold, services may be provided by a language development specialist and/or through an individualized program (and all such pupils must have a written plan). Because of the service standard, the funds come "off the top" of the EIA allocation. There are no figures that show the total amount spent on bilingual (and compensatory education); there is just a figure for the total EIA expenditure. The office that administers the program has about 15 professionals supported primarily by Title VII money. We were unable to interview anyone in this office but did learn from others that it is highly politicized and reflective of the various bilingual factions (and competitive with compensatory education).

School Improvement Program. Although not targeted to special needs populations directly, SIP is relevant because it reflects the SEA philosophy that drives the administration of all the consolidated programs, and it is designed to improve the services to special needs populations through improving the whole school program. Schools volunteer for participation, with the criteria for acceptance being (1) that a school site council has been formed and desires to participate and (2) that within a district half the schools in SIP are those with the highest concentrations of educationally disadvantaged students. SIP was intended to serve as general educational reform and before funding increases ceased, it was implemented (and is presently) in 60% of the elementary schools in the state and about 15% of the secondary schools.

SIP was a response to (a) weaknesses perceived in the base program, (b) a multiplicity of uncoordinated categorical programs, and (c) a belief that school staff should be formally involved in school site decision-making. Under SIP participating schools must create a school site council with parity between staff and community representatives. The council must write a plan and oversee its implementation. Schools are funded for a planning year followed by a three-year implementation grant (which is then renewed).

At the school level SIP is similar to the other consolidated programs (SCE, LEP and Title I) insofar as it (a) is another source of revenue (though with many fewer restrictions) and (b) must be described in one section of the consolidated programs plan.

Vocational Education. The state vocational education program operates primarily through a Regional Occupational Program (ROP) structure administered by a county or one or more districts. The ROPs are designed to provide courses in regular high schools rather than separate voc-tech schools. (The state also operates some Regional Occupational Centers (ROCs) which are like voc-tech schools.) The idea is that the ROPs and ROCs will provide more updated courses than districts can typically provide and that they are available to all students.

The federal match ($1 federal to $10 state and local) is viewed by the state as a big help in maintaining local offerings that might otherwise be dropped, especially with shrinking local budgets. The set-asides are not viewed as a booming success. Districts have just recently taken money under the disadvantaged set-asides -- money previously avoided because districts feared the excess cost provision and didn't know how to mount programs (but now they'll take what is available). Just this year the state provided a match from special education funds, but this money will likely be grabbed back by special education as this year's deficit mounts. Questions about sex equity were met by silence.

Civil Rights Activities. Most civil rights activities operate out of the Office of Intergroup Relations. Prior to 1975, issues related to sex equity were also handled by this office. In 1975, a separate Title IX office was set up. The Office of Intergroup Relations currently has six of its nine staff supported by federal dollars -- three by Title IV of the Office of Civil Rights (OCR) and three from the Emergency School Aid Act (ESAA). They primarily provide technical assistance upon request and conduct racial and ethnic surveys. They are committed to civil rights activities but feel that their role is minimal and decreasing as the federal dollars go and as desegregation has less public and departmental support.

Regular Education. Describing the regular education program is far beyond the scope of this study. In brief, the main feature of regular education in California is the amount of regulation -- the sheer number of laws and regulations that govern education from credentialing to staff development. The SEA administers general education through the development of curriculum frameworks which are the basis for textbook approvals. The SEA also oversees the functioning of the system partly through SIP (now in 60% of the elementary schools); through the California Assessment Program (CAP) -- which presumably influences the curriculum frameworks, among other things; and through the requirements that districts develop and administer proficiency tests.

ECIA Chapter 1. State respondents had little to say about ECIA Chapter 1, formerly ESEA Title I. There was sentiment expressed that Title I had been overregulated, and with California's school-based philosophy, one would presume Chapter 1 would be welcomed. (The head of one SEA program division indicated that this was the case). At the district level, there was a consistent story -- namely, that no one wants to loosen up on Title I administration until it is certain that Chapter 1's flexibility will stay. Most respondents expected to continue to operate Chapter 1 pretty much as they had Title I. They expressed concern that if they loosened up the program, auditors might appear in a year and say they had done wrong. An absence of regulation appears more threatening than many highly specific requirements. (Of course, many of those citing this view are funded by Title I and have some stake in preserving the program in its present form.)

ECIA Chapter 2. ECIA Chapter 2, the new federal block grant, is governed by a large Advisory Committee (32 members including four legislators). The first battle was over how much the cities would lose and how much the SEA would get. The Committee decided to develop a formula that would give an additional weight for the Aid to Families with Dependent Children (AFDC) and LEP counts and would reflect a two-year partial hold-harmless provision for districts and counties with ESAA programs. This was reputedly the compromise reached between the big city pressure to allocate 100% of the funds locally and the SEA pressure to retain as much of the 20% as it could. The ESAA hold-harmless provision has the effect of giving most of the money to the largest cities. (They are to get 65% of their current allocation next year and 35% the following year.) The SEA ended up with slightly more than 17%. After considerable negotiation and some changes in language, the plan finally was accepted by the U.S. Department of Education.

The SEA as an Organization

This section looks at how and why the SEA has changed over the last two decades in terms of (a) its size and structure, (b) its functions and capacities, and (c) its relationship with locals.

Size and Structure

The size of the SEA has increased substantially, due in large part to federal dollars. In 1962 the SEA had 575 state-funded positions and 93 federally supported ones; in 1968 the corresponding numbers were 669 and 454.[1] Clearly, the bulk of the near doubling in SEA staff size consists of federally funded positions. In spite of the vast increase, the department is still considered small in size as well as in share of state budget relative to other California departments. Because of the SEA's cost-pooling arrangement (e.g., those involved in monitoring schools with consolidated application programs have some fraction of their time paid by each program reviewed), estimating the number of SEA positions now supported by federal dollars is difficult. Currently, it is estimated that roughly 50% of SEA staff are supported by federal funds.[2] In the early years of Title V, the funds supported a large number of varied positions from a nutritional expert to a senior nurse. One respondent characterized the federal influence in these terms: "Federal programs have created the massive bureaucracy that exists today in the department."

The organizational structure of the SEA has gone through several changes since 1965, but there is little evidence that the federal programs had much influence. The major influences include: the lack of attention by Rafferty; Riles' election, his philosophy, and the evolution of the consolidated program approach and school-based monitoring and review; reports critical of the department's organization with recommendations for change from an independent management consulting firm and the legislative analyst's office; the large increase in the state share of education funding; and finally the functional organization which one respondent suggests evolved from the organization within compensatory education. The federal dollars and programs (particularly Title V) certainly gave

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, p. 96.

[2] This figure was obtained from the Office of the Legislative Analyst. It is extremely difficult to obtain comparable figures across time. Some figures include special state school staff; others do not. Some include consultants; others do not. Cost-pooling further compounds the problems.

Riles added flexibility and resources to accomplish his goals. Title V also paid for the management consulting study cited above. Moreover, the Title I experience introduced new functions which in turn were reflected in departmental organization (namely, organization by function). Overall, however, the federal programs must be viewed as only one of the several major influences on the organizational structure of the SEA.

Functions and Capacities

Respondents characterized the SEA in the fifties and early sixties as a "county office producing curriculum and handling apportionment." Since then, there has certainly been a shift away from curriculum. However, it's important to note that most of what existed in the way of curriculum in the early sixties was supported by federal National Defense Education Act (NDEA) funds. A curricular base still exists because the SEA has to handle curriculum frameworks for textbook adoptions. But the former emphasis on curriculum specialists isn't there. "Without the federal programs the department would look like it used to with fragmented efforts taking their lead from the field and organized around subject matter specialists; for example, the math specialists would relate to math people at the local level."

There has also been a shift away from substantive technical assistance, but there is some debate about the value of the early efforts. "Ten years ago the department was more curriculum oriented -- consultants prepared guides that were sent to the LEAs. That was considered technical assistance. Now [SEA] staff spend more time in the field." The school-based approach and its associated school-level monitoring and review supports this view. But it still reflects a move away from substantive assistance. The school-based approach is a process approach, free of curricular content. This is not to say that all substantive assistance has vanished, although what remains is threatened with each round of budget cuts. A district respondent noted, "The department used to have workshops which were valuable to mediocre but their real benefit was the networking function they served."

There has clearly been a shift towards procedures and compliance. Certainly some of this shift would have occurred anyway as a natural manifestation of strong state control and Riles' views on accountability. Perhaps what the federal programs did was to speed up the process by providing the first areas in which the SEA could exercise such a role. Prior to Title I there wasn't much for the state to monitor. In the late sixties the SEA monitored districts much as they were monitored by the federal auditors -- conversations among and paper inspections by administrators. The SEA views itself as having outgrown this paper compliance/accountability approach; hence its shift to school-level monitoring and review. While SEA staff characterize their review as more technical assistance than compliance monitoring, schools rarely share this perception. After initiating school-level reviews, SEA staff revised their approach to rely more upon training local staff to conduct the reviews. The explanations for this vary with everyone wanting to take credit for a good idea; but the most compelling reason is that the state staff were too heavy handed and not well-received, and consequently, the legislature began hearing complaints.

District staff are unanimous in viewing the state department as having become more of a policing agency than it used to be. The Director of Federal Projects in a small district said, "The department has gotten bigger, and its orientation has changed from one of service agency to policing agency." There was also consensus concerning one main reason for this change. The above respondent stated, "The department is constantly trying to protect itself from attack by the feds." Similarly, the Budget Director in a large city stated, "Our annual audit is more compliance-oriented than it used to be--this comes from the state's paranoia." District staff are by and large fairly critical of the department (with the exceptions being within program areas). Several LEA respondents expressed the sentiment that SEA staff interpret federal requirements more restrictively than federal staff do. These perceptions may stem in part from tensions resulting from the SEA emphasis on schools rather than districts.

Finally, there has clearly been an increase in SEA capacity to perform certain functions, some of which are attributable to federal influences. Although the Title V funds may have been spent poorly in the early years, the federal dollars in the seventies allowed more hiring which tended to bring the "best and the brightest" into the department. SEA staff expressed concern that, under civil service, these will be the first to go.

One SEA respondent noted that "The impetus for evaluation, research and testing has certainly come from the feds." Another stated that "OPER [the Office of Program Evaluation and Research] probably wouldn't be here without Title I; but something similar would have grown up because there was a desire for accountability, and that requires data." As it stands, however, OPER is one of the most sophisticated research and evaluation units in the nation, from its state assessment with matrix sampling (paid for with federal funds) to solid and creative research studies (such as studying the relationship between the amount of TV watching and achievement as well as an early appreciation for the need to study program implementation). Without the federal impetus, OPER probably would have been much slower to develop and would have gone in much less interesting directions. The unit was built around California's inventive approach to evaluation in 1965 when the federal government required evaluations of Title I, and no one knew how to do them. "Unfortunately," stated one SEA respondent, "while we have moved beyond those limited 'outcome against expectation' models of evaluation, the feds haven't." So OPER remains at the leading edge, having been launched by Title I.

Federal resources have also helped develop the SEA capacity to lobby federal policymakers. As one respondent pointed out, Title I directors in other states refer to the 1978 Education Amendments as the "Relief for California Act." There are two full-time federal liaisons in the SEA, both extremely knowledgeable about Washington actors and federal policy. And Riles himself is a strong presence in Washington. So California is very successful in its lobbying efforts and considers itself a major force. This isn't solely the result of federal resources, although without them this role would not likely have occurred (nor have been necessary). To take full advantage of lobbying opportunities also requires political sophistication and know-how, without which the financial resources don't mean much. It is also helpful to be speaking for a large and powerful state. This can backfire, however; some conflicts with federal agencies have the earmarks of a power struggle, rather than a genuine disagreement over policies or actions.

Some of these new functions have become institutionalized--that is, they would likely remain without federal support. As one senior-level respondent put it, "The functional kind of orientation (program development, evaluation, and so on) developed initially within the Title I program has become institutionalized." For example, although the state assessment has been supported by federal dollars, the legislature would likely take over its funding if the federal dollars were removed. Similarly, evaluation requirements are now typically included in program legislation. The retention of other functions is more problematic. For example, the functions of monitoring and reviewing schools seem more dependent upon the present leadership. Two senior SEA officials expressed the view that Riles' philosophy could be dismantled quickly at the state level with the removal of Riles and his key staff (but they believe that these practices have become institutionalized locally).

If there were no federal money, respondents suggested that there would be less accountability (because there would be fewer staff to conduct monitoring, etc.) The SEA would rely more on local staff to perform these functions than on paid consultants as they do now. But school reviews reputedly would have been the last thing to go if Riles had remained in office. The civil rights office was in jeopardy which is why it is now trying to bill itself as a school violence office. Staff development has some support in the legislature and thus would likely remain though less ambitious. In essence, if federal dollars vanished, respondents felt that the department would lose its best staff (the most recent hires), and "the SEA would revert to its former boring role, which would make local superintendents happy." It seems unlikely, however, that the SEA would completely revert to its former role, even with drastic reductions in funding. Functions such as planning, monitoring, and evaluation are not likely to disappear completely, although such activities might be severely curtailed.

Relationships with Locals

This section considers ways in which relationships have changed between the SEA and local districts, and the extent to which federal programs have influenced these relationships.

Federal programs have influenced the relationship between the SEA and local districts by providing new areas and mechanisms that increased the authority of the SEA. Although Riles and the legislature were already believers in strong state regulation and didn't trust the locals, the federal programs gave Riles a vehicle for exercising control. One senior SEA official noted that, while the SEA would have had compensatory education without Title I, "Federal involvement can and does give us leverage in the areas other than comp. ed. such as ESAA, IV-B, IV-C and voc. ed." These are areas in which the state essentially had little regulatory involvement prior to the federal programs. Thus, the role bestowed upon the SEA by the federal government gave it an entree. In vocational education, the SEA had had no involvement at all, and the federal presence gave it its first leverage over local vocational activities. The SEA believes that "In voc. ed., the legislature was wary of involvement. Now if the feds dropped voc. ed., the state is likely to pick up some funding."

Title I, however, had perhaps the strongest influence on the relationship between the SEA and locals because it was the first area in which detailed regulations and compliance monitoring were implemented. Even if the state had developed its own compensatory education program, it's doubtful that it would have had the same success in controlling local behavior. One legislative respondent stated, "The federal programs gave the department leverage to go into districts and require plans; they would have had trouble doing this without the federal clout behind them." At this point, the state seems to have overplayed its hand, however, in terms of both regulation and enforcement. When the SEA staff began school-level monitoring and review, they were not particularly well received. Their response was to turn much of the reviewing over to locals whom they train. But even with this approach criticisms of overregulation have resulted in a new law, AB777, which allows schools and districts to request waivers of the State Board from any or all state regulation. There have always been waivers, but this law turns the tables by placing the burden of proof on the Board to show why the waiver should not be granted. The legislation specifies the criteria that the Board must use in making its judgment. Of course the same legislature that passed AB777 also passed the laws which authorized the enormous number of regulations under which the locals must operate.

State Political Environment

This section looks at the state political environment in which the SEA operates -- especially the extent to which federal goals and activities are supported. The political environment was studied in two ways. The first was to assess the influence on education policy of the major state actors: the legislature, special interest groups, the governor, and the SEA itself. The second was to consider specifically the role of federal provisions for special needs pupils in preventing reduction of resources to these pupils during periods of fiscal stress.

The Legislature

There is strong support among legislators for all of the special needs groups because they represent Hispanic communities or big cities, and compensatory education gets more money to these areas. The legislature has always shown strong support for Riles and his positions, particularly in the Assembly. (This attitude, however, does not hold for the SEA, which the legislature views with some distaste.) Legislative support can be seen not only in the existence of programs such as Master Plan (MP), SIP, and EIA, but also in the fact that legislators play an active role in designing the programs. This legislative support may be weakening as funding decreases. Education committee assignments which were sought after while there was money to spend now have far less appeal.

Special Interest Groups

The number and involvement of special interest groups concerned with state allocation and programmatic decisions have certainly increased, primarily due to the same forces that stimulated federal programs rather than as a result of the federal programs. In the past as well as today the big cities and the teacher organizations are the most influential groups. Other organizations (e.g., the school boards, school administrators, etc.) also have representatives in Sacramento. These groups are politically sophisticated and in recent years have formed strong coalitions to accomplish their goals. For example, a variety of Hispanic groups were successful in creating the state's bilingual law (too successful, many say, because the complex law includes something for everyone). Riles built a significant compensatory education constituency in the sixties, but, as described in the introduction, its strength lies in its compatibility with big city interests.

Special education groups are strong (e.g, the Center for Independent Living in Berkeley) but seem to exert more influence on the federal government than on the state. The Master Plan may have anticipated the growing influence of special education groups. The SEA presently views the role of special education advocates as negative (both in the state and in Washington) on the grounds that they have made the special education program unbearably legalistic and interfere in the provision of services by delaying plan approvals and initiating numerous court actions for individual placements.

The one group which is perhaps most directly traceable to federal programs represents the teachers' aides. The role was introduced with Title I and greatly expanded under SIP. (It's not unusual in California for an elementary school to have an aide in every classroom.) Although they don't often influence state-level decision-making, they have received their power -- collective bargaining -- from the state, and they exercise it locally.

The Governor

In general, there has been little interest and involvement on the part of the governor's office in educational issues, particularly those concerning special needs pupils. When the politics surrounding the overall budget are at issue, or when there is a perceived political gain, the governor's office takes a stand. This does not necessarily imply a lack of support for federal goals and activities; but it seems to reflect a general lack of interest in providing strong educational leadership.

The SEA

The SEA has become a stronger actor in educational policy since the mid-sixties, but how much of this is a direct result of federal programs is difficult to say. As described above, the relationship between the SEA and LEAs has changed significantly. But at the state level, the legislature remains quite powerful and the State Board relatively weak. The SEA's increased strength is due to several factors including Riles' leadership, its increased size and vastly increased areas of activity, and the increase in state share of funding. The federal programs are therefore indirectly responsible for the increase in power of the SEA by virtue of increasing the staff and increasing the areas in which the SEA exercises authority. Moreover, the federal programs provided the SEA with models for exercising its authority (for example, monitoring and enforcement under Title I). At the same time, the legislature has exerted more authority in educational policy by greatly increasing its staff in the area of education. One SEA staffer claimed that "It's easier to deal with the legislature if there's a federal role," suggesting that the federal programs have given the SEA more leverage vis-a-vis the legislature just as they have vis-a-vis the LEAs.

Overall, the relationships among Riles, the State Board, the legislature, and the governor's office are not markedly different from times past. The legislature still respects Riles and doesn't think much of the SEA. The Board is still relatively weak and the governor's office is peripheral.

Resources for Special Needs Pupils: The Role of Federal Provisions

Federal targeting provisions exert the most influence in protecting economically disadvantaged students from pressures to reduce resources. Although there is support in the legislature for compensatory education, with scarce resources the only pressure to maintain such services comes from the big cities who receive most of the funds. But there are always alternatives for urban aid -- alternatives which don't carry the kinds of strings that compensatory education does. State compensatory education has already been reduced in practice since it was folded in with bilingual education. Under EIA, districts are obliged first to determine the cost of services for LEP students -- what's left then goes to compensatory education.

Responses from district and school staff also support this finding. With the general pot shrinking, pressure comes from the teachers' union to increase salaries and from the wealthier neighborhoods to maintain athletics, electives, etc. In some schools where resources are tight, supplanting is already occurring from pressures to fund general aid activities that have been cut by the district (e.g., counselors who serve all students).

One state respondent argued that categorical programs have been successful if they have kept some things out of collective bargaining, suggesting that anything that is included in collective bargaining will go to salaries. A recently publicized study from the Department of Finance also supports this finding indirectly. While the report appears to support compensatory education strongly, the authors aren't even aware that Title I is targeted to economically disadvantaged areas -- they presume Title I is designed for low achievers. One senior SEA official stated, "A superintendent other than Riles might need to use federal support in comp. ed. to argue for a continued state effort, but under Riles comp. ed. would continue without Title I." This statement may have been true a few years ago but remains untested under the currently strong fiscal pressure to reduce spending. Federal service standards certainly protect handicapped and LEP students from pressures to reduce resources, perhaps at the expense of some other groups. The size of the special education deficit attests to the protections afforded handicapped students, and the leverage that LEP funds have over compensatory education funds attests to the protections for LEP students. However, in both cases, the state has service mandates as well. In the case of LEP provisions, the state law outdoes Lau. In special education, the Master Plan requires that all handicapped students receive appropriate services. In the case of special education, the backlash is growing. Over 80 districts have filed a suit against the state demanding that they be relieved of mandates which aren't fully funded. This suit raises several interesting issues including the influence of the courts over the legislature and the relationship between federal and state requirements.

Districts say in general that there is no way to eliminate special education deficits. They argue that if Title I funds are cut, they can reduce the number of schools served or the number of students within a school. But with special education, if they tighten eligibility requirements, they generate fewer dollars. If they cut back on services to those identified, they aren't meeting the mandate of a Free Appropriate Public Education (FAPE).

The existence of AB777 suggests that the federal protections may be growing in importance as locals gain the right to waive any or all state requirements. We sought but did not find evidence that federal leveraging provisions (matching, maintenance of effort, excess cost), while increasing state spending for federal efforts, have imposed political and fiscal rigidities on state and local spending.

Administration of State and Federal Programs

This section considers the ways in which the state and the federal government influence each other in the area of program administration. The first of three sections describes the influence of state priorities and policies on the administration of federal programs. The second looks at the influence of federal requirements on state practices and policies. The third part discusses the compatibilities and conflicts that result from these two sets of influences that operate in tandem.

State Influences on Federal Programs

There are three important features of education administration at the state level in California that strongly influence how federal programs are administered:

1) a regulatory/accountability stance toward districts and schools;

2) the adoption of a school-based philosophy, consolidated application, and an associated monitoring and review process; and

3) the commitment of the state to those areas in which there is federal involvement, evidenced by the existence of state programs in virtually all the areas in which there are federal programs.

The influence of state priorities on federal program administration is seen more easily in the early years of Title I than in present compensatory education or the other program areas in which state and federal efforts merge. In the early years of Title I, Riles' accountability stance and commitment to compensatory education heavily influenced his administration of Title I. In fact, Riles' prescriptive approach to Title I was viewed as a model for federal guideline writers. The SEA sent out its own guidelines for Title I in increasing detail including requirements for the components to be included in each local program, an explicit priority for elementary programs, specific components for staff development, and prohibitions against certain types of classroom groupings to minimize segregation. Moreover, California was the first state to mandate parent advisory councils. In Title I, as the federal guidelines became more detailed, they began to look more like California's guidelines. In recent years, the California guidelines have shifted in emphasis, e.g., more emphasis on multicultural, less on elementary schools.

The school-based philosophy, the consolidated application process, and the associated monitoring and review process all affect strongly the administration of Title I, IV-B and IV-C (the federal programs included in the school plans and the review). The main effect is to shift most of the action from the district level to the school level. In addition to requiring a district program description as required by Washington, the school is required to design and describe each program. Monitoring and enforcement similarly are elaborated with a three-day visit to a school to judge compliance and quality. The SEA justifies this approach on the grounds that it is more important to measure what services the students are receiving and whether they are appropriate, than to track dollars which is what the federal government emphasizes.

To determine service quality, SEA staff argue, classroom visits are needed. SEA leadership would like to include special education and vocational education in the school plan and review. Because these areas have traditionally operated somewhat independently--both administratively and at the service delivery level--including them in the school plan has posed logistical as well as political problems. They have just succeeded in introducing special education into the quality portion of the review (but not the compliance portion yet).

The existence of fairly elaborate state programs in compensatory, special, vocational, and bilingual education also influences the administration of federal programs. The state compensatory education program caused a major court battle over the allocation of state and federal compensatory dollars. As a result, districts are given a list of complicated alternatives for allocating their compensatory funds in ways which are legal. In addition, the state's Master Plan in special education influences the way in which P.L. 94-142 is administered. For example, all districts follow the two-stage assessment and placement process initiated under Master Plan prior to P.L. 94-142.

Federal Influences on State Practices

There have been some strong influences of federal programs and regulations on state practices in California but not in the sense of direct, visible impact, e.g., imitating a federal program. Instead, the federal influence has been more diffuse. Perhaps the strongest influence has been the experience of administering the federal programs. Many SEA staff acknowledged that lessons learned from administering the federal programs strongly influenced the development of their own programs. One senior staff person stated, "A big impact of federal programs was to give the department a base of experience to build on and go beyond." ECE and SIP are generally described as evolving from problems the SEA experienced in administering the categorical programs, especially Title I. As one SEA leader said, "I'm convinced we couldn't have arrived at SIP without our early Title I experience." In particular, the school site council concept was derived directly from the experience with parent advisory councils (PACs) in Title I — "The PACs helped get the idea of school site councils going and accepted." After initiating some of the early rules, state leaders feel that they learned of the limitations of the categorical approach and moved on to a new approach -- a school-based approach. State staff are critical of the federal government for being unable to change direction and learn from experience.

Some SEA leaders feel that California invented all programs for special needs populations; others point out that the special programs in California are the result of the same broad social phenomena that resulted in the federal programs; still others credit the federal government with inventing the mission of improvement. Some combination of these positions is probably the best characterization of the source of California's initiatives. In compensatory education, California's first program (the MacAteer Act in 1963), got started at roughly the same time that ESEA was being deliberated in Washington and presumably for the same reasons -- a growing awareness of the special needs of disadvantaged children. While some cite MacAteer as evidence that California predated federal involvement in compensatory education, others noted that it was a very small program and primarily focused on teacher training, not service delivery to target students. In 1972, Kirst argued that federal programs decelerated state efforts with similar foci and cited compensatory education as the example.[1] Although that characterization was true in the late sixties, by 1974 the state had a large compensatory education program (EDY) as well as a Master Plan for special education, a bilingual program and ECE. EDY is attributed primarily to Riles, who was a great believer in compensatory education and took great pride in California's accomplishments with Title I, and secondarily to the general finance reform in which compensatory education was a convenient way to get money to the cities (at a time when San Francisco controlled the finance committees).

Both the Master Plan and bilingual program seemed to result from the same set of causes that stimulated the federal initiatives. California certainly felt the effects of both constituencies, and was also the state in which Larry P. and Lau were filed. Moreover, Riles and his staff were noted in the seventies for their ability to anticipate national trends and predict the outcomes of major court cases.

There is some evidence that the state role in vocational education would not have begun without federal involvement. Now, however, the state role would likely be continued by the legislature as a result of federal participation. Federal efforts also stimulated state initiatives in staff development through the federally funded teacher centers, which served as a model for the state.

In general, while no single state initiative for special needs was stimulated primarily by federal programs, the existence of a federal role in these areas may well have lent a legitimacy to the state's role in these areas thereby facilitating the continuation of state efforts as well as raising expectations for what could be accomplished. As one senior SEA respondent noted, "Without the federal programs, there wouldn't have been a mission of improvement. Title I changed the view in the department and in the legislature about what could be done."

Within particular programs, there is also evidence of federal influence. For example, many of the monitoring requirements of the consolidated application programs are quite similar to those of Title I. Of course, some of these requirements originated in California in the sixties. More striking perhaps is the fact that the concept of non-supplanting, usually referred to as "over and above," has permeated all layers of the educational system. Most state programs now reflect a non-supplanting requirement as well as evaluation requirements which were unheard of prior to Title I. The state bilingual program reflects a number of elements of Lau and Title VII (and virtually every other program).

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972.

It is ironic, in fact, that some of the main criticisms that the SEA has of the federal government are repeated by the state. To the federal government, California says, "We're not Mississippi -- don't make rules for us based on the worst case and on lack of trust." This same criticism is levelled by districts against the state -- detailed regulation based on worst cases and lack of trust.

In the area of civil rights, the state has developed few policies and activities primarily because federal civil rights requirements place the onus on the district. ("Few" is relative -- California has far more civil rights activity than most states.) Some of these policies are the result of federal requirements, and some have been pursued independently by the state. One SEA respondent felt that it was "A mistake to have a separate federal civil rights office that doesn't deal with the states." The State Administrative Code has a number of civil rights requirements, and these are reflected in the form used by state reviewers to monitor the schools (e.g., prohibitions against discrimination by race, ethnicity, sex, religion, or socioeconomic status and against tracking educationally disadvantaged students or scheduling physical isolation on a regular basis).

In addition, the State Board has a desegregation policy that gives them the power to fix racial imbalance, but it's up to the districts to define when a problem exists. Consequently, the Board rarely hears about such problems. But the policy, ineffective as it is, still gives a lever to the SEA civil rights people for getting into a district, and it has been used on occasion for that purpose. For example, when a new superintendent 'uninvited' SEA staff, they asked a local community group to invite OCR, an action which prompted the district to invite them back. California also had a sex equity coordinator before it was required by federal law. However, a large city director of desegregation noted that "Having a Title IX coordinator at the state level doesn't necessarily mean more action -- a lot of districts aren't open to having them around."

In spite of support for civil rights at the state level, the office in the SEA seems to struggle for survival. It is called the Office of Intergroup Relations and has six of its nine staff supported by federal funds (three by Title IV and three by ESAA). It is located in rental space four blocks from the rest of the SEA. The office was started in 1959 to deal with issues of discrimination in teacher employment. In 1963 Riles expanded its duties to provide assistance to districts coping with de facto segregation. In 1964 the State Board expanded the office and since then, with ESAA and Title IV money, the office has provided technical assistance to districts in the areas of desegregation, conflict and violence, affirmative action, and multicultural education. The office also conducts its own racial and ethnic survey in addition to the OCR 101/102. They are worried about their future partly because of public sentiment ("they're tired of desegregation") and because it's not politically viable for Riles to take a strong stand in desegregation. They might go out of business completely or be merged with staff development. They are trying to bill themselves as an office dealing with school violence and conflict to protect their existence since these terms have broader appeal. In sum, perhaps the most telling response is reflected in the following quote: "Although California is progressive and Riles a supporter of civil rights, the federal government has been and continues to be critical in getting California moving in the area of desegregation."

Compatibilities and Conflicts

The previous discussion has shown that the path between the federal and the state governments has strong influences running in both directions. In such a situation, one would expect some of the influences to reinforce each other, and some to clash. Most of the compatibilities between federal and state influences have been noted in the preceding sections. These include:

- the federal presence reinforcing and lending legitimacy to serving special needs populations,
- the federal programs providing points of leverage for the state to involve itself in local practices, and
- the federal requirements providing models for the state to regulate and exercise authority over local behavior.

At the broadest level, there are virtually no conflicts between federal and state intent. Both the federal government and California believe in targeting services to special needs populations, regulating local practice, and ensuring that civil rights are not jeopardized. In fact, it is this very compatibility of intent, evidenced by California's own initiatives, that causes a majority of the conflicts that do arise.

California perceives a lot of conflicts because they have their own strong agenda. The largest number of present conflicts stem from the school-based philosophy reflected in SIP, the consolidated application/planning process, and the monitoring and review process. The SEA finds itself in conflict with any requirements that (1) place programmatic responsibility on the district (e.g., Title I design) and (2) track dollars rather than quality of service to kids (inside schools). Thus, the SEA views the requirement for districts to develop a Title I plan as a waste of time -- program planning only makes sense at the school level. The SEA claims that it views accountability in terms of services to students rather than dollars and that the school site council serves as an on-site accountability mechanism. This view is reflected in the way it monitors the consolidated programs (which include Title I). SEA staff complain that federal staff don't like their approach of monitoring several programs together (and funding parts of people from different pots of money). For example, the United States Office of Education wanted a review that looked only at Title I and tracked dollar expenditures down to the kid. The SEA wanted to look at the total program the Title I kids were getting. The federal auditors ask, "Is the Title I aide working only with Title I kids?" If yes, the auditors say OK. The SEA says it may be worse for the kids because they're not getting the regular teacher -- so they say you need to look at the content of the program the kids are getting in the regular class and in the Title I program.

SEA staff were clear about wanting a federal role, however. They want the federal auditors to ensure that child counts are right and that the money goes to the right schools. They just want them to relax fiscal controls within the school.

SEA staff also find problems with the Title I PACs. Even though they were in the vanguard of instituting parent involvement, they feel they have moved beyond an approach that (1) assumes an adversarial stance between parents and school staff, (2) doesn't include school staff and (3) is merely advisory.

All of these complaints, however, must be taken with a grain of salt because they apply to many of the state's own programs as well as to the federal programs. For example, the state bilingual law requires its own advisory PAC. The kind of prescription that interferes with program quality is also evident in the bilingual law. Moreover, one SEA leader, while complaining that the Title I district application process was unnecessarily burdensome, admitted that without the federal requirements the state would require virtually the same process.

The most publicized conflict between California and the federal government was reflected in the Richmond case (Alexander v. Califano) which found against the SEA's method of allocating Title I and SCE funds. The state used SCE funds to expand, in effect, the Title I program to schools that were in need but to which the Title I dollars didn't stretch. The judgment even acknowledged that the state's approach made educational sense and fit the intent of the Title I legislation, but technically it violated the non-supplanting provision by not spreading the state compensatory money first. Districts now operate under a complicated set of guidelines that provide various methods for allocating SCE and Title I dollars. SCE is allocated first, but it's not clear that the result is any different than it would have been without the Richmond case.

The SEA also cites problems with bilingual and special education. Lau and Title VII use different trigger numbers and require different numbers of LEP kids (again, however, they have many problems with their own law as well). In special education, there has been an ongoing power struggle between the SEA and the federal special education office. The SEA criticizes P.L. 94-142 for causing fiscal strains (with the related services provision and the due process hearing). They claim that Master Plan has all the benefits of the federal law without the problems. For example, P.L. 94-142 doesn't allow for the fact that another agency (e.g., a health services agency) might use a sliding fee scale. "You can't make one agency responsible for another agency's delivery system," said one respondent. The SEA must also collect different data for their law and the federal one because the Master Plan is service-based funding. Given the detailed requirements of the Master Plan, however, it's not clear that all the SEA's problems would be solved if the federal law didn't exist.

Apart from the details of conflicts, SEA staff are unanimous in several general complaints about the federal government. "We're not Mississippi" echoes through the halls. Rules based on worst cases aren't appropriate to California; staff feel that some of the provisions were important earlier but that they are no longer necessary, and the federal government is slow to change. "We're essentially penalized for our strong commitment to comp. ed. States without their own programs don't have to agonize over the problems of supplanting, mingling, ranking, etc." They also criticize Washington for lack of clear guidance and consistency. "They say they are allowing discretion, and then they catch you for using it. We get caught in the crossfire between the program people and the auditors." And they complained about never getting any upfront advice, anything in writing, and having to wait forever to get a decision. (Hence they do what they want and wait to see the federal reaction.) As one respondent said, "We can live with detailed instructions, but we can't live with fuzziness or retroactive penalties."

Thus it is ironic that many of the problems stem from the fact that there is strong compatibility between the federal intent and California's intent. Finally, one does hear more bad stories than good. As one SEA staffer said, "We took for granted the good that came out of the federal role. We paid attention to what annoyed us."

In addition to the conflicts described above, we investigated other sources commonly thought to cause problems:

- federal requirements place substantial administrative and paperwork burdens on the state;
- federal programs create offices or "franchises" within SEAs that bypass normal channels of authority and go directly to Washington; and
- federal requirements detract from the regular education program.

With the exception of the story of "encroachment" in the case of special education described below, these anticipated problems were not evident.

We heard relatively few complaints about administrative burden. There were complaints about the amount of regulation and the feeling that California was kept on a tight leash by Washington to serve as an example to keep the other states in line. But there were few gripes about burden and paperwork. There were a couple of references to the time that auditors consume (which is a frequent occurrence in the SEA) and to the lack of value of certain required documents, like the vocational education five-year plan. But overall there is (a) strong support for federal programs among SEA staff and (b) an acceptance of regulation and paperwork as necessary evils associated with governments and funding. "There are too many regulations, but I'll live with them for the dollars." Moreover, with over 50% of the SEA staff supported by federal dollars, there is little doubt that whatever burden exists is fully subsidized. We did find complaints about paperwork at the district level which tended to be directed at the state rather than the federal government. (The legislature recently did a study of the paperwork burden on schools and found that most of the requirements were district imposed, next state imposed, and the fewest were of federal origin.)

In California, federal programs have not created "franchises" in which staff bypass the state hierarchy and enjoy authority through communicating directly with Washington. Many SEA federal program staff do identify with the federal office and their national organizations, and may act in defense of federal decisions, but there is no evidence that these actions in any way influence state policies. This may result partly from the consolidated programs organization which makes individual program offices less identifiable. Also, there are several top staff who deal directly with Washington on a frequent basis including Riles himself and two full-time federal liaisons. In this way, SEA staff have exerted substantial influence over Washington but have not been plagued by problems of federal "franchises."

There is a problem concerning the relationship between special programs and the regular program as a result of service mandates. The problem is most severe in special education which is now characterized by many as a "bottomless pit." The 1980-81 deficit was $117 million, $87 million of which was passed on to the districts to cover out of their general funds. The estimated 1981-82 deficit is $41 million. In fact, the term "encroachment" is now a household word in Sacramento, denoting specifically the dent made in the general fund by the special education budget. How much of this is attributable to P.L. 94-142 is hard to say. Some state officials claim that the overruns are the fault of the broader related services mandate of P.L. 94-142 and the due process hearings that result in private placements. One district budget director noted, however, that their overruns began with the Master Plan prior to P.L. 94-142.

There is an analagous within-state problem regarding bilingual education. This issue is one of "encroachment" resulting from the bilingual service mandate on the state compensatory education funds. LEP and SCE come from the same pot of money (EIA) with LEP coming off the top. After services are ensured for all LEP students, the rest of the money goes to SCE, but the rest can be quite small. The special education and LEP full-service mandates have recently resulted in a law suit filed against the state by 85 districts which claim that they should either be fully funded for any mandates placed on them, or the mandates should be withdrawn.

Summary

State priorities have had a profound effect on the ways in which federal programs are administered in California. Conversely, federal requirements have had a significant influence on state practices. The state priorities which exert the strongest influence on program administration are:

- the strong regulatory stance the state takes towards districts and schools;
- the commitment of the state to educational reform in general and to serving special needs populations, evidenced by the multiplicity of state initiatives; and
- the SEA's school-based philosophy.

These influences are readily apparent in the SEA's administration of the Title I program during the early years; the interactions between state and federal categorical programs; and, more recently, the school-based planning for the consolidated programs.

In the other direction, the federal influences on state practices are more diffuse but equally significant. Federal programs and mandates have:

- reinforced and lent legitimacy to the state's role in serving special needs populations and in civil rights activities,
- provided leverage for state involvement in local practices, and
- provided models for the state in regulating and exercising authority over local behavior.

At the broad level of intent and commitment, federal and state policies are compatible. Both the federal and state governments demonstrate support for targeting services to special needs populations, for regulating local behavior, and for ensuring that civil rights are not jeopardized. Not surprisingly, with two strong political bodies exercising influence in the same domain, there are also conflicts. The primary conflicts, however, are not those usually attributed to the federal role in education. Respondents' complaints did not focus on administrative and paperwork burdens imposed by federal requirements. Nor did they complain about federal programs establishing "franchises" within the SEA that bypass normal channels of authority within the department. With the exception of financial encroachment on the regular budget by special education costs, there were also few complaints that federal programs detract from the regular program.

The vast majority of conflicts encountered stem from different approaches for reaching the same goal. The SEA's school-based approach, which emphasizes programmatic responsibility at the school level and accountability in terms of service quality rather than tracking dollars, results in conflicts, particularly with Title I, which focuses on fiscal controls and district plans. Because California has substantial programs in compensatory, bilingual, and special education -- which are regulated at least as much as the corresponding federal programs, conflicts also arise within program areas (as exemplified by the Richmond case on allocation of Title I and state compensatory funds).

In conclusion, the interaction of federal and state education policies in California reveals a paradox of sorts. California's educational leadership has developed a strong, progressive educational agenda. The implementation of that agenda would not have been possible without the federal programs which gave the SEA leverage, mechanisms, and models for regulation. Federal funds also provided resources and staff needed to implement state policies. At the same time, the federal programs have been a source of interference in the implementation of the state's often more progressive agenda. Examples are rate of instances in which California and Washington had different intents. They have shared a commitment to special needs populations and a desire for accountability. Yet the last 15 years are replete with examples of conflicts. Some may be characterized as power struggles. But most seem to stem from the differential responsiveness of the two levels of government in terms of learning from experience and revising their agendas to meet problems encountered along the way. The fact that the federal government changes its policies more slowly than the state accounts for many conflicts. The fact that the federal government must consider 50 states and often bases policies on the worst cases also accounts for conflicts.

In spite of conflicts, it seems clear that California and Washington have influenced each other in profound ways, most of which have ultimately benefitted special needs populations. These benefits are the product of federal commitment and resources, SEA leadership, a legislature sympathetic to education, and a healthy state budget. Since most of these elements have already changed, the future of special needs programs and interactions between California and the federal government are also likely to change significantly.

LOUISIANA STATE PROFILE

Jane Sjogren
Brenda J. Turnbull

Introduction

Although Louisiana is a relatively established state, admitted to the Union in 1812 as the 18th state, it has remained largely rural in character. Its traditions are largely French and Spanish and are reflected in a sub-state governmental structure which is based on parishes (counties) and in a legal system based on the Napoleonic Code. Culturally, the French Roman Catholic influence remains strong.

The state's economy reflects its rural character; it is relatively unindustrialized, and its major economic activities are associated with natural resources extraction and related activities, transportation, agriculture, and government.[1] Current political priorities are focused on economic development. In recent years, the state experienced substantial economic growth as mineral extraction and processing industries developed. This economic growth is reflected in the strong fiscal position of the state government, a situation which is particularly notable in light of the state's traditionally low levels of tax effort and public expenditures relative to other states. At this time, however, the state is anticipating a revenue shortfall.

The Social, Political, and Economic Environment of the State

Louisiana is a rural Southern state. A former slave state, Louisiana has a sizable Black population (approximately 30% of the total) which has traditionally had little economic or political power. Despite several high-wealth areas, primarily around the state's largest urban area, New Orleans, per capita incomes in Louisiana are low, approximately 89% of the national average in 1981.[2] Until the recent spurt of economic growth, there was substantial outmigration from the state. However, this trend was reversed in the last decade, changing from -26% between 1960-70 to +25% between 1970-80.[3]

Socially and politically the state has a history of balancing fiscal conservatism with a Populist philosophy. As Landry and Parker observed:

> Since the 1930s, Louisiana government has provided extensive public services to its people. The people expect these services to be continued and new programs to be added. However, the tolerance of governmental inefficiency undercuts efforts to improve services without raising taxes. Thus, we have the contradiction of high

---

[1] U.S. Statistical Abstract, 1981, Table 1416; County Business Patterns 1980, Louisiana, CBP-8020, U.S. Department of Commerce; Information Please Almanac, 1980.

[2] U.S. Department of Commerce, Bureau of Economic Analysis. "Survey of Current Business." Washington, D.C.: The Bureau, August 1982.

[3] Information Please Almanac, 1980.

> expectations for services but not for performance. It is a state of affairs permitted by one of the lowest rates of individual taxation in the United States.[1]

Thus, in Louisiana we find the situation where elementary and secondary education is the largest publicly supported service in the state, but state and local average per pupil expenditures in Fiscal Year (FY) 1980 were only $1407 — 70% of the national average.

The state's political system is highly developed and has had a colorful history over the last 50 years. Political interest is focused at the state level (rather than in parishes or municipalities). Political activities are characterized by the interactions of many political factions. Political patronage is frequent and generally accepted. (To some extent, it appears that jobs patronage is considered to be a form of social welfare.) Representation of private sector interest groups is substantial, reflecting the priority the state currently gives to economic development. Public interest groups are neither numerous nor influential, an indicator of the level of the state's interest in providing public services.[2] Although the state is traditionally Democratic (as is the current legislature), the current Governor is Republican.

During the last decade, the economic environment of the state has improved a great deal. Louisiana has substantial petroleum-related natural resources, and high petroleum prices fueled an expansion in the state's mineral extraction industry. This in turn led to industrial expansion in the areas of chemical production and processing. In addition to improving the economic base of the state, this growth led to a large increase in state revenues from mineral severance taxes. For many years Louisiana had both a low tax base (in terms of property wealth and personal income) and a low level of tax effort. It is notable that as the state's economy has improved, the overall level of tax effort has decreased. As a result, other forms of tax revenues, such as those from income, sales, and property taxes, while never high by national standards, are less important sources of revenue, as indicated in the state's budget in recent years. (Statewide, property taxes have actually decreased.)

The large increases in state revenues have resulted in large increases in state spending. Very recently, however, deregulation of natural gas and oil prices has caused some public officials to express concern not only about the economic health of the minerals-related industry but also about maintaining current levels of state government spending.

Education and the State Environment

The public education system in Louisiana is the single largest publicly supported endeavor in the state. Because it represents such a large share of the state budget (approximately 35%), education receives a considerable amount of political attention. In addition, political attention to education is increased because the state superintendency and eight of the 11 positions on the State Board of Elementary and Secondary Education are elected positions. The political priority given to education in the media and the state legislature may have increased recently because the current Republican Governor, who has stated that he considers education an important current issue, and the elected Democractic Superintendent do not enjoy congenial relations. However, officials from the State Department of Education have substantial interaction with the state legislature, both formally and informally.

---

[1] Landry, David M., & Parker, Joseph P. "The Louisiana Political Culture." In Bolner, J. (ed.). Louisiana Politics, Baton Rouge: Louisiana State University Press, 1982, p. 13.

[2] Upon reviewing a draft of this case study, the State Department of Education disagreed with this analysis of interest groups.

Although education receives notable political attention in Louisiana, it is important to understand the context in which this occurs. As a source of political and budgetary influence, education is important. However, perhaps because of the state's rural character and because of its history, the provision of quality educational services, especially to rural, low-income, and minority (predominantly Black) citizens has not been a major political or social priority. Indeed, the state's high illiteracy rates reflect this. In addition, segregation, particularly in education, had a long history in Louisiana, and desegregation is not socially or politically popular. In part because non-public education has been available for wealthier non-minority citizens, most of whom live in more urban areas, public education in Louisiana, especially for rural, low-income residents has historically been of low quality.

The increases in state revenues and in the level of state spending have been directly reflected in state spending for elementary and secondary education. Despite the increase in the state's population, elementary and secondary enrollments decreased from approximately 825,000 to 786,000 (five percent) between 1970 and 1980. During the same period, expenditures per student average daily attendance (ADA) rose dramatically, increasing from $716 to $1972 (according to the National Education Association), an increase of 175%.

At the same time, there appears to be increased interest in some of the more substantive issues related to elementary and secondary education. Although the state constitution guarantees local school boards local control of their schools and systems, the state has become more involved with pedagogical substance through the introduction of competency-based student evaluation and a complementary remediation program under authorization from the state legislature. In addition, teacher competency requirements have also been introduced. Both of these topics are championed by the current Superintendent, Kelly Nix, and have received considerable press.

As in many other states, there is little initiative on the part of the department toward school desegregation.[1] The department tends to disavow desegregation efforts, regarding them as federal, not state-sponsored, activities.

There are several other features of interest regarding the context in which Louisiana's public elementary and secondary education system operates. Non-public school attendance is sizable and accounts for 18% of the student age population. (Twenty-three percent of the elementary and secondary schools are non-public.) Most of the non-public schools are Roman Catholic and are located in or near major urban areas, New Orleans in particular. Non-public schools enjoy substantial political influence in the state. Perhaps as a result, they receive sizable amounts of state aid primarily for transportation and purchase of materials. Also currently a shortage of teachers exists in the state, a situation which some attribute to low teacher salaries (which averaged $14,020 in 1980) relative to the expanding private sector. While there are two teacher unions in the state, our interview data indicate they are less active in shaping legislative policy than those in other states. Other educational interest groups are also few and not evident at the state level.

---

[1] A Bureau of Technical Assistance, described more fully in the next section, has had some state funding for assistance with local problems related to desegregation.

In sum, it appears that the state's recent economic growth, by increasing the state treasury, has spurred increases in state spending for education. While education enjoys political visibility, the primary interest of the state is in its private sector economic situation. Although many aspects of the state's educational system have not changed in the last decade and a half, the improvements in the state's economic status clearly have contributed to increasing the scope of public elementary and secondary education as a public activity in Louisiana.

Education Policy Within the State

Structure of Education Policy

Historical Review. The recent history of education policy in Louisiana has been somewhat erratic, due in part to the election of state superintendents with divergent educational philosophies. Turnover at the top of the department has a significant effect on personnel and priorities because the department staff are not civil servants but instead serve at the pleasure[1] of the Superintendent (and refer to themselves as political appointees). The former Superintendent, elected in 1972, was a successful businessman who reportedly was inexperienced in the realm of education but sought to make his mark on the system by introducing career education. He was defeated in 1976 by Kelly Nix, the current Superintendent.

Nix campaigned on a platform of "back to basics" and upgrading standards in education. One interviewee in a school district pointed out that the politics of a campaign for the superintendency means that any challenger tries to blame the incumbent for dismal conditions in Louisiana education. Nix's challenge echoed the legislature's perennial complaints about the education system, and it evidently struck a responsive chord with the voters. Now, positioning himself for a second re-election, Nix wants to demonstrate that he has led the department toward educational improvement.

Federally sponsored school desegregation efforts have had an important effect on the state's perception of federal education policies. When people in Louisiana (inside and outside the department) think of federal involvement in education, they tend to think of the federal courts, the Office for Civil Rights (OCR), and desegregation. The people in positions of authority generally view this federal involvement with resentment. Few programmatic efforts in the department further civil rights protections. It seems likely that the state's painful history of desegregation has left policymakers skeptical of most federal initiatives in education policy. One high official in the department, for example, concluded his remarks about desegregation with the sweeping comment, "The federal government doesn't care about education."

---

[1] In August 1982, after this case study was prepared, department employees were placed under the civil service system.

Another important aspect of Louisiana's dealings with federal education policy has been its history of Title I audits. This history was noted frequently in interviews, often in response to very general questions about federal programs. According to officials we interviewed the story begins in the early years of Title I, when "there were no written guidelines, and we would get a phone call in January or February to say millions of dollars were going to be thrown into the state, and we had to spend them by June." Many of the dollars were spent on swimming pools, band uniforms, and the like. A few years later, audits resulted in a $14 million liability for the state. Title I subsequently has been managed with a tight hand in Louisiana, with special scrutiny of any expenditures for equipment. (Incidentally, the state has never repaid the $14 million; it has fought the audit exceptions on various grounds, and a high official of the department said, "The last I heard, a couple of years ago, [the liability] was down to $50 thousand.")

The department has experienced periodic scandals, one of which occurred early in 1982. In this episode, the deputy superintendent (the department's number two official) and the assistant superintendent in charge of special education were convicted of kickbacks and left their jobs. One interviewee said of corruption in state government, "I wouldn't want to say it's a way of life, but people don't get all up in the air about it."

Major Programs. While the great bulk of state aid to education goes out under the Minimum Foundation Program (MFP), the state also has several small initiatives that receive categorical funding. These include vocational education, a reading program modeled on Right to Read, and a program of professional development for teachers, called PIPs, in which the state offers financial incentives for teachers to take courses (see Table 1).

Included in the Minimum Foundation Funding (by means of a formula weighting factor) is the state's support for special education, which is governed by a law that closely resembles P.L. 94-142. One difference between the two laws is that Louisiana's Act 754 provides support for programs for the gifted and talented, a group that enjoys substantial political support.

Funding Systems and Levels. The MFP provides funding adequate to support teachers at a base salary level determined by the legislature, with teacher-pupil ratios that are also set by statute. Virtually all parishes, however, supplement this state support with their own funds, with the result that actual salaries and teacher-pupil ratios are higher than the minimums set by law. Statewide, the parishes pay for 33% of elementary-secondary expenditures.

A large proportion of MFP funds -- nearly $100 million out of the total of about $755 million--goes into transportation. Any parent whose child attends public or private school more than a mile from home is entitled to either bus service or a cash payment to cover transportation. (The state disburses about $6 million in these cash payments, which reportedly go to parents of parochial school students for the most part.) State officials cite two reasons for the high cost of transportation--court-ordered busing for desegregation and the generous salary schedule that the legislature has set for bus drivers (who are apparently a potent lobbying group). Another obvious reason is that the state is largely rural.

Louisiana supports private education to an unusual degree. For example:

- Children in private schools are entitled to the transportation provided by the state.
- Private schools receive textbooks from the state.
- Private schools are reimbursed for the administrative costs associated with filling out forms for the state.

In 1980-81, the state provided $892,018,126 to support elementary-secondary education. This represented 53% of total expenditures, compared with 33% from local sources and 14% from the federal government. New figures from the Education Commission of the States indicate that the state share rose in this past year as the federal share fell; the percentages for 1981-82 were 56% state, 33% local, and 11% federal. Because the state pays more than half of the cost of education, department officials quote a "Golden Rule": "He who has the gold makes the rules."

Key Actors and Events. Most of the key actors in Louisiana education are politically active. Their political activities are an important characteristic of the state's education policymaking process.

The Superintendent, Kelly Nix, is a Democrat who was elected to office in 1976. He reportedly decided to run for the superintendency while serving as the federal liaison representative for then-Governor Edwards. In that position, he found that many corporate decision-makers were unwilling to set up sizable operations in Louisiana because of the poor reputation of its education system. (This story underscores the state's interest in private sector economic development.)

Although the Superintendent and the current Republican Governor, David Treen, have had political differences, Nix and his staff have good relationships with much of the legislature. This has enabled him to win the legislative enactment of several initiatives setting educational standards, notably the law on competency testing.

Louisiana

Table 1: State School Aid for Selected Programs, 1980-81

Program	Dollar Amount	Percent of Total
Basic Support Programs	$ 754,628,587[a]	84.7%
Pupil-Targeted Instructional Programs		
Special Education	(110,343,505)[a]	(12.4)
Vocational Education	5,579,075	0.6
Compensatory Education	4,263,449[b]	0.5
Bilingual/Bicultural Education	—[c]	—
Adult Education	6,361,955	0.7
Other	2,156,013	0.2
Pupil Support Services		
Transportation	(100,732,658)[a]	(11.3)
Textbooks, Materials, etc.	19,061,132	2.1
Food Service	15,382,180	1.7
Staff		
Employee Benefits	58,404,381	6.6
Adjustment for District Characteristics		
Poverty Incidence	—	—
Sparsity-Small Schools	—	—
Capital Grants	—	—
Total	$ 892,018,126	100.0

[a] Includes $88.1 million in special education funds and $96.7 million in transportation aid allocated through the equalization aid formula.

[b] Right to Read program

[c] Teacher units aided through the equalization aid formula include certified second language specialists as alloted.

Source: Categories are drawn from Tron, Esther O. (ed.). Public School Finance Programs, 1978-79, Washington, D.C.: U.S. Government Printing Office, 1980. Data were updated by Byron Benton, Deputy Superintendent, Louisiana State Department of Education.

The state's Board of Elementary and Secondary Education is a mostly elective body, with eight elected members (one from each Congressional district) and three members appointed by the Governor with Senate approval. People inside and outside the department told us that the members of this board would like to be more involved in administrative matters. However, with only about 10 staff members, the board approves most of the documents drawn up by the department, including the plans for spending federal money.

Governor Treen is said to take an interest in education; like most politicians in the state, he has campaigned on the issue of improving the schools. However, as a Republican, he is unwilling to launch initiatives that might increase Nix's staff or enhance his clout.

With respect to the department's relations with the legislature, Superintendent Nix's legislative liaison operation includes finding appropriate legislators to introduce bills that are drafted in the department. He is given credit for his astuteness in choosing sponsors; for example, the competency-testing legislation was introduced by a Black legislator, thus deflecting some of the criticism that Black leaders would otherwise have directed at this idea.

Federal judges have been important actors from the perspective of local school districts through court-ordered desegregation of public schools. Indeed, desegregation orders continue to alter attendance patterns. Some critics claim that desegregation and the federal role in education are linked in the minds of legislators, department officials and the public.

A legal action dealing with handicapped children was reflected in Act 754, which was passed to provide a mechanism for implementing P.L. 94-142. Act 754, which formalized and extended the state's policies for handicapped students, included the establishment of Special School District #1 to oversee Louisiana institutions for the severely handicapped. Before the legal action, these children had been sent out of state. This case was reopened recently and is being overseen currently by a court-appointed master. A more recent case found that students were not being evaluated as fast as the law required; as a result the department asked for and received an additional $2 million over and above the MFP for appraisal personnel in the parishes.

Education-related interest groups do not appear to be highly influential,[1] although we were told that the National Education Association (NEA) affiliate is among the more active lobbying groups in the state. However, the NEA affiliate exhibits a rather low-visibility approach in this highly political state. Several interviewees told us that advocates for handicapped children are effective, especially with the legislature's appropriating committees, but no specific groups were mentioned as significant.

---

[1] Upon reviewing a draft of this case study, the State Department of Education disagreed with this analysis.

SEA Organizational Divisions and Operating Style. The department, which occupies one of the most imposing buildings in Baton Rouge, is clearly a force in state politics. The department is large, in comparison with those of other states, given that the state has 66 local districts and 786,000 students. In 1980-81, its staff included 850 full-time equivalent (FTE) employees and an additional 720 special or temporary project personnel, for a total of 1,570 employees.

One interviewee volunteered that about 50% of the employees are political appointees.[1] The department until recently was not part of the state's civil service system, a fact that probably made hiring easier and certainly made salaries high. An interviewee gave us a hypothetical example of a teacher who leaves a job paying $14,000 two or three years before retirement, then joins the SEA at a salary of $28,000. Another interviewee said that bringing the department under civil service could reduce the annual salary for some jobs from $20,000 to $12,000. A move is under way in the legislature to do this.

The department's politicized outlook is unmistakable. Two topics that receive a great deal of attention are the department's relationship with state legislators and the Superintendent's re-election efforts. We heard from someone in a district that local educators are always "pushed" by department staff to "espouse the Superintendent's philosophy."

The department is organized into seven major offices, shown on Figure 1.

- The Office of Management and Finance is the most important of the offices. It is responsible for financial control and budgeting, accounting, auditing, purchasing, operational support, and personnel services. This office oversees the distribution of the Minimum Foundation Program funds to local districts, a process that involves checking local applications for regular education and special education funds. The head of this office has been with the department for nearly 50 years.

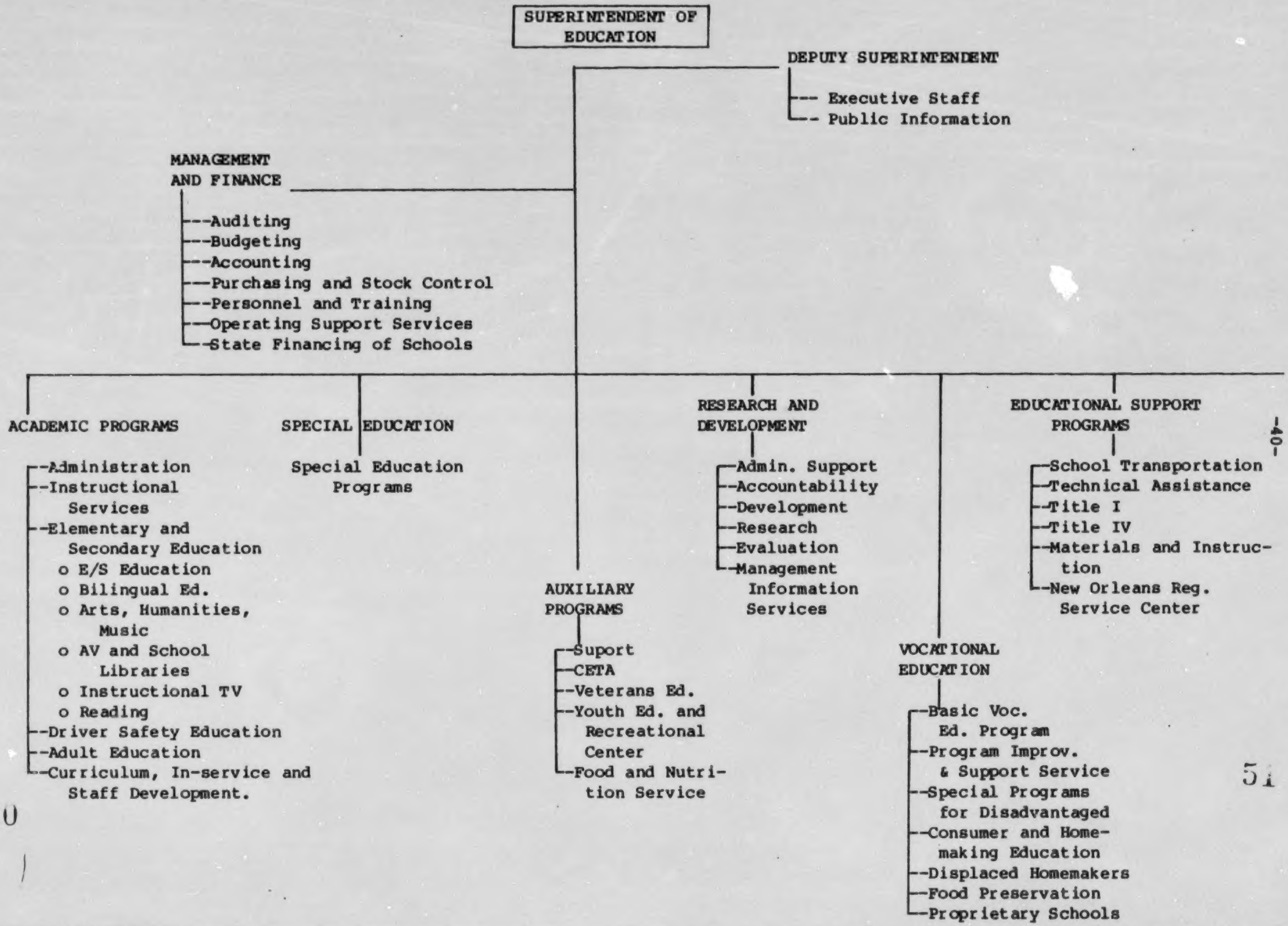
- The Office of Academic Programs houses all the bureaus that deal primarily with services related to student and teacher performance in the classroom. It is responsible for implementing the accountability and competency-based legislation, and it will handle the new program of remediation if funds are appropriated. Smaller programs in the purview of this office include foreign language and bilingual education and a special reading program. This office works closely with Management and Finance and with the state legislature; it is headed by the department's legislative liaison.

- The Division of Special Education is responsible for P.L. 94-142, the closely related state law, Act 754, and Section 504.

---

[1] Employees of the department joined the state's civil service system in August 1982.

Figure 1: Louisiana State Department of Education


SUPERINTENDENT OF EDUCATION
DEPUTY SUPERINTENDENT
-- Executive Staff
-- Public Information
MANAGEMENT AND FINANCE
--Auditing
--Budgeting
--Accounting
--Purchasing and Stock Control
--Personnel and Training
--Operating Support Services
--State Financing of Schools
ACADEMIC PROGRAMS
--Administration
--Instructional Services
--Elementary and Secondary Education
o E/S Education
o Bilingual Ed.
o Arts, Humanities, Music
o AV and School Libraries
o Instructional TV
o Reading
--Driver Safety Education
--Adult Education
--Curriculum, In-service and Staff Development.
SPECIAL EDUCATION
Special Education Programs
AUXILIARY PROGRAMS
--Suport
--CETA
--Veterans Ed.
--Youth Ed. and Recreational Center
--Food and Nutrition Service
RESEARCH AND DEVELOPMENT
--Admin. Support
--Accountability
--Development
--Research
--Evaluation
--Management Information Services
VOCATIONAL EDUCATION
--Basic Voc. Ed. Program
--Program Improv. & Support Service
--Special Programs for Disadvantaged
--Consumer and Homemaking Education
--Displaced Homemakers
--Food Preservation
--Proprietary Schools
EDUCATIONAL SUPPORT PROGRAMS
--School Transportation
--Technical Assistance
--Title I
--Title IV
--Materials and Instruction
--New Orleans Reg. Service Center

- The Office of Auxiliary Programs implements the provisions of the Comprehensive Training and Employment Act (CETA), the Veterans' Administration Education and Training Programs, and the Child Nutrition Program.

- The Office of Research and Development has responsibilities that include developing tests for the competency-based program, providing evaluation assistance, setting up a dissemination system, and drafting legislation. It also houses the department's Management Information System. Established by Superintendent Nix, this office has grown substantially during his tenure.

- The Division of Vocational Education deals with vocational and technical programs in the local school systems, in the 52 vo-tech schools, and in colleges and universities. This division operates independently from most of the other offices.

- The Office of Educational Support Programs houses the Elementary and Secondary Education Act (ESEA) programs -- Titles I, II, IV.[1] State funds administered through this office include those spent on transportation and textbooks. This office was recently formed by taking these programs out of other offices.

Operation of Federal and State Programs for Special Needs Students

General Education. As a rule, general education absorbs most of the state's interest, and it is the area least affected by federal involvement. The centerpieces of Superintendent Nix's administration are a competency-based education program, in which students will have to pass a state test to advance to the next grade level (with rare exceptions), and a companion remedial program in which it is proposed that the state fund remedial help for students who fail. The legislature enacted the two programs in 1979 and 1980; this year the department has asked the legislature to appropriate funds for the remedial services. A test was administered to second graders this spring. Officials plan to phase one more grade into the plan each year. This seems likely to lead to considerable statewide standardization of the curriculum, especially if some observers were right in telling us that second grade teachers taught to the test this year.

Nix's campaign for higher standards in education (a campaign that is partly spurred on by intense legislative interest) also extends to teachers. Beginning teachers are now required to attain a cut-off score on the National Teacher Examination, and it is a source of embarrassment to the state's colleges and universities that large numbers of candidates are failing to make the appropriate score. Half of the would-be-teachers failed in the first test administration in 1978. The state's current teaching force is being given in-service courses through the Professional Improvement Program (PIPs), which offers higher pay for those who have taken these courses.

---

[1] It will also house the ECIA programs, Chapters 1 and 2.

While the state is trying to improve the qualifications of its teachers, it is also trying to recruit more teachers. Particularly in math and science, Louisiana schools (like those in other states) are having trouble competing with industry for job entrants. The shortage is exacerbated by low teacher salaries.

Education of the Handicapped. Special education is unique because of the congruence between federal policy and Louisiana's policy. The state law, Act 754, was based closely on P.L. 94-142, and the two can be administered in concert. One difference between the laws is that Act 754 requires a period of screening for a student who has been referred for evaluation. This procedure is said to screen out students whose chief problem is that they are performing well below grade level, although the law provides for service to "slow learners." Another difference is that the state law applies to gifted and talented students, for whom the state and the parishes have set up fairly extensive programs.

Special education in Louisiana is suffering from some backlash. Spokesmen for "the regular student" are complaining that expenditures for the handicapped are out of hand.

Vocational Education. Federal dollars provided 78% of the support for elementary and secondary vocational education in Louisiana in 1980-81. Most of the federal funds go to parish and city school systems, while state funds go to both the local systems and the regional vocational-technical schools and postsecondary institutions. This means that federal cutbacks in vocational education are primarily hitting the parishes. The state informally has advised local vocational departments to stock up on supplies and equipment in anticipation of losing some of their federal funds.

The record of the federal set-asides is mixed:

- The set-aside for the disadvantaged is welcomed and, according to vocational education administrators, is put to good use.
- Officials reported that the set-aside for the handicapped is superfluous and that enough earmarked funds already go to these students from other sources. The state follows federal guidelines by requiring parishes to apply these set-aside dollars only to the excess costs of programs for the handicapped. The state further requires that the funds be matched with local funds. This set of requirements had led one of the parishes we visited to refuse the money. The state, too, has returned some of this set-aside to Washington.

- The $50,000 provided for sex equity is said to be of dubious value. It supports a coordinator and a secretary in addition to supplying both in-state and out-of-state travel resources. Reportedly, the coordinator has fulfilled her state responsibilities by conducting several workshops to make local educators aware of Title IX.

Compensatory Education. Louisiana received $78.4 million in Title I funds in this school year, and the program is viewed as an essential part of education. Since the early 1970s, when federal auditors cracked down on unsanctioned uses of funds (for swimming pools, band uniforms, and the like), the program has been fairly tightly administered. In the mid-1970s, the state was especially scrupulous about adherence to the program's fiscal controls. State officials now say that this led to some neglect of the program's educational purpose and fostered an undesirable separation between Title I and regular school instruction. ("We went for years getting everybody legal...Everyone thought it had to be separate--a teacher and an aide out there in an air-conditioned building with everything.") Thus the current state emphasis is on coordination with the regular program.

Title I is popular politically, largely because it is a good source of jobs. What detracts from its popularity is the fact that it has gone largely into Black schools.

At the time of our visit in March 82, 1982 plans had not been developed for coordinating Title I instructional services with the new state remedial program for students who fail the competency tests (which was to start up in the fall). Different offices are in charge of the two programs. Department officials had made inquiries about whether Title I funds could be used to support the new program, but the answers had been equivocal. One possibility is that Title I services will simply be withdrawn from the second grade when state remedial services begin in that grade; this is especially likely if Title I funds diminish. But in general, Title I--like other federal programs--is isolated from other state initiatives.

Desegregation. The state initiatives in this area involved technical assistance to districts that had begun desegregation. A Bureau of Technical Assistance used federal and some state funds to provide help to school systems and communities undergoing desegregation. Its efforts were focused on discipline problems and intergroup relations. At the peak of its operations, in 1977-78, it had 17 staff members supported by $567,428 in federal funds and $41,833 in state funds. In 1980-81 its entire funding of $283,604 came from federal sources.

Bilingual Education. The most salient bilingual program in Louisiana is a program that teaches French as a second language to students who elect to learn it. The state has funded this program, recruiting teachers from France to staff it. In addition, the Title I Migrant program provides funding and some technical assistance for local bilingual or ESL programs.

Sex Equity. A current state-level initiative in sex equity is the support provided for seven Displaced Homemakers' Centers in cities around the state. The Superintendent also gives release time to 19 women in leadership positions in the department so that they can participate in networks of woman leaders in the state and the region (with funding from the Ford Foundation). In addition, department staff work with the Women's Advocacy Bureau established in the Governor's office in 1977.

Operational Style

Special education and Title I are unlike other programs in their administrative style: in both programs, there has been rigorous monitoring of local compliance, with a legalistic orientation. In special education, for example, state administrators have often invoked the law to persuade local districts to comply. In Title I, the history of federal audits has left vigorous state enforcement of the law in its wake. The attachment this office feels to the law is demonstrated in the four-inch-thick loose leaf "Title I Handbook," commissioned by the office and containing exegeses of all the federal provisions.

The style of these offices may be changing, however. Special education in particular has been a bone of contention with the parishes, and the office now seems eager to cultivate a more moderate style. The assistant superintendent hopes his office will soon be perceived primarily as a source of technical assistance. The Title I director, too, spoke of technical assistance as the most important part of what his staff does. The other offices seem to work much more affably with the parishes.

State Plans for ECIA

Chapter 1. When we first sat down to talk with the Title I director, he said, "We love [Title I]. The only problem is, they're taking our regulations and guidelines away." Asked what he was going to do, he said, "We're writing our own. We know the auditors will come around.... Thank God we've got the authority to make rules." Fearing that fraud, waste, and abuse would result from a loose law and regulations, he hoped that the state plans would keep in force as many of the Title I regulations as possible.

Chapter 2. The committee has decided to distribute the local portion of the funds (which will be 80% of the total) by a formula that gives an 85% weight to average daily membership and 15% to high-cost factors. Of the high-cost factors, 10% will be economic deprivation according to the Title I formula, and five percent will be exceptional children according to Act 754.

(This 85-15 split has a history. We heard that in developing a formula for Title IV-B allocation some years ago, the state was under pressure from the federal program office to give high-cost children a weighting of more than 50%. Therefore the formula submitted was 60% high-cost, 40% enrollment. Later, state officials found out that big states had succeeded in gaining approval for formulas that were as much as 85% based on enrollment--the figure that Louisiana then used in subsequent years of Title IV-B. The formula developed for the Chapter 2 committee clearly reflects this experience.)

We were told that local uses of the Chapter 2 money will probably center on retaining staff who have been funded by other federal programs. With a declining Title I allocation statewide, we heard that parishes will probably pick up many of their Title I staff with Chapter 2 money. The parishes that have had Emergency School Aid Act (ESAA) grants are thought likely to do the same for their ESAA staff.

The Interactions of Federal and State Policies and Programs

The preceding sections reviewed the context in which education policymaking occurs in Louisiana, the State Department of Education, and the major characteristics of education policy in the state. This section looks at these characteristics in relation to the federal education programs. The first part describes the major organizational features of education programs. The second analyzes the role of federal education programs within the context of the political environment. The third reviews the impacts of federal programs on state policies and programs.

The SEA as an Organization

Size and Structure. The range and intensity of the department's activities have clearly expanded over the last 10 to 15 years as federal funding for the department increased. At the same time, the department's focus has also changed, although not to the extent that capacities and activities have. The effects of federal programs and federal funds on these changes are compounded by changes in state laws, finances, and educational priorities.

Federal funds have enlarged Louisiana's State Department of Education. Of 1,105 department employees (excluding those employed by state institutions for the handicapped), 45% were supported with federal funds in 1980-81. These funds have been especially important in some areas. For example, in special education in 1980-81, 94 staff members were federally funded, while 36 were state funded. Indeed, one interviewee said that this division had grown from six employees 10 years ago to its present size because of federal funds and program requirements.

Title V funds have been absorbed into more or less routine department activities, probably in part because they come under legislative scrutiny. The funds are all used for staff salaries and benefits, and they are largely concentrated in the Office of Academic Programs, which administers most of the Superintendent's initiatives.

Federal funds do not seem to have affected the department's basic organizational structure. Federal programs generally operate in self-contained program offices that are appendages to the structure, disbursing funds and monitoring local programs. Similar federal and state programs often operate in parallel. For example:

- As of March 1982, we were told there had been no joint planning sessions between state Title I administrators and planners of the proposed state remedial program.[1]
- For special education, the Office of Management and Finance reviews the local applications for MFP aid, while the Division of Special Education monitors the local programs.
- As of March 1982, there had been no collaboration between administrators of Title I and administrators of the SPUR program (a program modeled on Right to Read), although there was reportedly some cooperation between the programs at the district level.[2]

Federal programs do not appear to have had any influence on the development and growth of intermediate units, perhaps because with only 66 districts, the state does not need them. In special education and Title I, some interactions with the parishes are handled by "regional representatives"; each program has eight of these representatives, one for each of the state's Congressional districts. They are based in Baton Rouge, however.

Functions and Capacity. Both the functions and capacities of Louisiana's State Department of Education clearly have expanded in the last 10 to 15 years as the amount of federal funding received by the department has increased. These increases have resulted in expanded capacities in the areas of monitoring and enforcement, procedures, research, and evaluation. In addition, technical assistance and departmental involvement in curriculum matters have also increased.

Monitoring and Enforcement. Capacity has increased with the growth of the state education agency (SEA). Activity has increased, most notably in the Division of Special Education and the Title I office. In recent years, monitoring by the Special Education Division has led to a backlash from the local level (characterized by a district interviewee as "a few hundred phone calls" to the Superintendent's office). Because of this growing resistance, the degree of monitoring will probably diminish soon -- but special education officials note that this is appropriate since compliance with the law largely has been achieved.

The Title I monitoring and enforcement initially was stimulated by the state's experience with federal auditors. Although several interviewees said the office's legalistic orientation has eased in recent years, we still found it very much in evidence. For example, the Title I office prepares and distributes to districts a large volume which lists and defines program requirements.

---

[1] Upon reviewing a draft of this case study, the State Department of Education disagreed with these statements. The department noted that a Committee on Compensatory Education composed of staff from the Office of Education Support Programs and the Bureau of Title I together with staff from the Office of Academic Programs planned the design of the state remedial education program.

[2] Ibid.

Procedures (Planning, Needs Assessments). Federal program planning occurs at the state level when it is required, as in vocational education and ESEA Title II. (Both of these planning exercises were criticized as burdensome.) The state does not seem to impose planning requirements on the districts, but the state Title I office does impose a fairly elaborate needs assessment procedure.

Evaluation and Research. Both capacity and activity have increased dramatically. In 1978 the Office of Research and Development (which includes evaluation) had a staff of 17 and a budget of $600,000; this year it has 121 staff members and a $10.5 million budget. Federal seed money has helped to launch many of this office's activities which now receive state support. At present, though, the office only receives $600,000 in federal support, of which half is a grant from the Department of Agriculture to improve the flow of commodities into and out of state warehouses. In other words, little of its current capacity is dependent on the federal government, although federal support has been used in the past. Research and evaluation seem firmly entrenched as state-supported functions.

This office has been extensively involved in the competency-based program. Lawyers from the office helped to draft the legislation, then test developers in another part of the office composed student examinations. At this point, clearly, evaluation is a function well integrated into the department's regular operations. This integration reflects the state priority given to regular program evaluation.

Technical Assistance. The level of technical assistance provided by the department to districts, while not extensive, does not appear to have altered in the recent past. Indeed, the only mention we heard of past technical assistance was from a local director of special education, who said the department had helped districts with the early stages of implementing P.L. 94-142. Apparently, state technical assistance has not been displaced by federal initiatives which added more intensive monitoring responsibilities.

Curriculum. The department's capacity and activities related to curriculum appear to have increased over the years. The competency testing and remediation initiatives provide the most significant examples of this development. Because promotion of students from grade to grade will be tied very closely to the students' performance on tests developed by the department, the department is gaining increased authority over curriculum statewide. Federal programs did not have anything to do with this change.

To a limited extent, certain functions developed as a result of federal programs, such as monitoring, have become institutionalized and are now used for other state purposes. The Special Education Division provides one illustration of this: people hired under P.L. 94-142 now monitor compliance with both the federal and state special education laws (although the state's old approach to monitoring special education -- reviewing data on local applications for aid -- still exists in the Office of Management and Finance, which approves these applications).

In general, little crossover occurs between federally supported and state-supported functions. Where this does happen, strong pressures operate to bring the federal operations more into line with the state's traditional way of doing things. An example is unfolding in the development of a new accreditation process for the parishes which calls for staff members from all parts of the department to visit a parish and monitor all its programs as part of granting the parish continued accreditation. In the pilot stages of this process, friction developed because staff managing the federal programs intended to do a much more rigorous kind of monitoring than staff with responsibility for state programs or activities. Since this clash coincides with a statewide backlash against intensive monitoring of special education, strong pressure is exerted in behalf of reducing the monitoring.

Changed Intergovernmental Relationships.[1] Federal programs appear to have increased the state's authority over LEAs, as evidenced by the regulations and monitoring that have grown under federal sponsorship. A local director of a federal program, for example, commented that the department has "become much more of a police type of organization; they're very much into monitoring, compliance, regimentation, regulations."

One reason for this growth in state authority is simply the increased size of the department, and federal funds have been important in the growth in staff. Another reason is the state's experience with federal Title I audits. Although the state has not reimbursed any federal funds, the audits left state officials eager to avoid repeating the experience.

Simultaneously, though, state initiatives are also increasing the department's authority over the parishes. The most striking example is the statewide adoption of standards for pupil progression from one grade to the next--a policy change that is undoubtedly increasing the state's authority in curriculum matters. In general, too, the state is gaining authority over LEAs by paying an increasing share of education costs (56% in 1980-81).

Federal programs also appear to have altered relations between the Department of Education and the federal government. The state's federal program offices seem quite active in communicating with U.S. Department of Education (ED) officials, although they did not have examples of policy changes they had brought about through these channels. They often seek clarification of requirements, and they offer comments on pending regulations. The federal liaison representative stays in touch with the Congressional delegation, but no one offered examples of federal legislative changes that Louisiana had initiated.

---

[1] After reviewing this section of the case study, the department commented: "For the record, the state (meaning State Department of Education) has the authority vested in it by the State Constitution to carry out the wishes of the Board of Elementary and Secondary Education, which has its limited administrative and supervisory powers over local school boards (Louisiana State Constitution, Article 13a)."

It struck us that Louisiana may negotiate less with the federal government than other states do because Louisiana and the federal government have so little common ground. The federal government is often an adversary, as in the whole area of civil rights. Some of the aims of federal programs seem basically alien to the state, with the result that state officials see little point in negotiating minor adjustments in these programs.

Contact with their counterparts in other states seems to be a lively and welcome activity for federal program managers in the SEA. Money and invitations from the federal government enable these managers to travel out of state to acquire valuable information about the programs. One respondent noted that these trips provided ideas about how he might change his program's requirements or reporting formats, using ideas from other states. He remarked, "That's invaluable. You can't put a price tag on it."

In sum, the size of the Louisiana State Department of Education has grown, and its functions and capacities have expanded. Part of this growth and expansion can be attributed directly to federal program funds. However, it is striking that department officials attribute little influence to the federal government's role in the department's development over the past decade. While they acknowledge that they receive and use significant amounts of federal funding, the effects of those funds are not generally thought of as a benefit of federal involvement. For example, while they acknowledge Title V funding, they seem sure that the Superintendent would have been able to accomplish the same changes with state money. Several pieces of evidence suggest that they may well be correct in this judgment. One is that the divisions of Special Education and of Research and Development are apparently succeeding in moving their federally funded staff into state-funded positions, a few at a time. Similarly, department managers seem fairly confident that if Title V were to disappear, department employees supported by those funds would be picked up by the state; this seems reasonable because the legislature has already approved Title V expenditures. An interviewee associated with the legislature confirms that the legislature "largely" would continue to support what the Superintendent has done in the department.

Decreases in categorically funded programs such as Title I will result in cutbacks in the staff of those programs. However, given the peripheral position of these programs in the department's structure, it does not appear that the decreases will have a significant effect on the department structure or operations.

The Political Environment

Several types of political actors at the state level have the ability to both affect and be affected by federal education programs. These include the state legislature, special interest groups, the State Board of Education, and the Governor. In addition, the extent to which the SEA commands a leadership position in the political environment is also important. All of these factors directly affect whether, or the extent to which, the state has institutionalized or will institutionalize federal program purposes.

State Legislature. In general, the Louisiana state legislature evidences little support for the goals and activities funded and promoted by the federal programs. This was particularly striking because education issues are generally a prominent part of the state's political scene. Support for federal civil rights activities is largely non-existent among most of those who hold political power, both in the legislature and out. The legislature shows little interest in federal programs (with the exception of vocational education and special education, which are generally considered to be state rather than federal programs). While the federal programs are a welcome source of jobs and funds, the legislature would almost surely reorient the federal programs' emphases if it had the authority to do so.

Special Interest Groups. With respect to the development and influence of special interest groups, we found little evidence that federal programs had increased either their number or involvement. Although some education interest groups, such as teacher organizations do exist, they are less active and influential than their counterparts in other states. In addition, with the possible exception of special education students, we heard of no visible interest groups representing special needs students. The growth of the state's special education program was attributed by many interviewees to the lobbying efforts of advocacy groups; however, no specific group was ever mentioned by name. Similarly, although Title I does not now seem to be backed by an interest group at the state level, Title I staff members were mentioned as a fairly strong constituency for the program. One interviewee familiar with the legislature opined that federal cutbacks in the Title I program would be compensated for in part by the state because of this group of supporters. In sum, however, although there was some evidence of special interest groups supporting the federal programs at the district level, there was little evidence of their influence at the state level.

The State Board of Education and the Governor. The State Board of Elementary and Secondary Education must formally approve the plans submitted by the department for federal programs. Relative to other state policy issues, however, these federal programs are not of central interest to the board. For example, one federal program administrator commented that his program is "not a big deal to the board."[1]

The current Governor has evinced interest in education. However, neither the goals nor the content of the federal programs are among his priorities.

SEA Leadership in the Political System. The State Department of Education gets along well with the state legislature and has been able to draft most of the key legislation affecting education in recent years. This appears to be due, in large part, to the Superintendent's political strength in the state. However, to understand the operation of federal education programs within the state, it is important to understand that support for the goals and activities of federal programs (except for vocational education and special education) is not extensive within the department and is minimal outside it. For example:

---

[1] Upon reviewing a draft of this case study, the Louisiana State Department of Education disagreed with this analysis pointing to the state board's role in appointing the ESEA Title IV Advisory Committee and in determining vocational education policies.

- Several department staff members indicated lack of agreement with the Title I program's focus on high-poverty attendance areas and on students with "greatest need."
- One department official indicated that on a statewide basis, Title I is perceived as "a kind of giveaway to the poor" and is therefore not as politically attractive as a program like special education.
- Another department official noted a general impression that Title I is "a welfare program." He also noted that he felt the real intention of the program should be to serve students who could get up to grade level, not those in the lowest percentiles.
- One interviewee characterized Title I as a source of job patronage for Black people, especially for teaching aide positions. He also said he personally disagrees with the program's philosophy because it results in a "watered-down educational program."

Finally, as has been discussed earlier, there is little support from the SEA for civil rights activities.

Institutionalization of Services. With the exception of special education, we found little institutionalization of federal program goals or operations for special needs students into education operations at the state level in Louisiana. In general, the federal programs are not politically visible, nor are they in the mainstream of SEA operations. Although it is difficult to judge the extent to which federal provisions for special needs students would prevent cutbacks in their services should overall funding for education be reduced, it does seem unlikely that most federally sponsored services would be continued.[1] For example, Louisiana is unlikely to develop a remedial program with Title I's targeting provisions even though it is currently considering the establishment of an extensive state remedial program. No one was willing to speculate on the future of the state special education program if P.L. 94-142 went away or were substantially altered.

Effects on Policies and Programs

We now turn to an examination of the way the Louisiana State Department of Education manages federal programs, and how federal programs and state priorities have influenced each other in this state. The most striking general finding here is that federal and state educational activities are kept essentially separate from each other. This is evident in the limited influence that state priorities and federal program management at the state level had on each other, and in the minimal interactions between federal and state programs.

---

[1] Upon reviewing a draft of this case study, the State Department of Education disagreed with this analysis.

The Influence of State Priorities on Federal Programs. Overall, the state policy priorities pertaining to elementary and secondary education in Louisiana are substantially different from those of federal programs. State priorities in both the legislature and the State Department of Education are currently focused on the "regular" program (as opposed to serving special needs or target student populations). Efforts to upgrade the skills of all students and teachers are the priorities in the state. The competency-based education (CBE) program for students involves the incremental introduction of standardized testing in each grade. Plans call for remedial programs, many of which will be provided after regular school hours and during the summer, to accompany the tests.

The role of federal programs is both substantively and operationally separate from these efforts. For example, we were told of virtually no efforts to integrate Title I activities with the remediation aspects of the CBE program. The administration of federal programs within the SEA is quite separate from other SEA activities. Because the equal opportunity forces of most federal programs are notably different from state educational priorities, few efforts to guide or coordinate the federal programs are made by top managers in the department. Department officials do appear to recognize, however, that the federal programs provide a source of staff support for the SEA as well as a source of funds for outside contracting.

The most notable exception to the separation of federal and state programs is special education: a state-sponsored counterpart exists to P.L. 94-142, Act 754, which provides services for handicapped and other special needs students. These two programs are operated as one program by one office in the department. Vocational education enjoys political and financial support from the state but is run independently of the other "regular" education programs.

In general, the department interprets federal program regulations in a conservative manner. This conservatism is particularly clear in the Title I program, which, for example, limits local Title I programs to offering instruction in only reading and math.

There was little evidence at either the state or the local level of notable paperwork requirements originating from the department's administration of federal programs. The only exception to this appears to be in the Title I program. The state office has compiled a lengthy elaboration and interpretation of Title I regulations and guidelines, which sets out local reporting requirements in detail and requires some limited supplementary reporting.

The department does not appear to elaborate federal targeting and enforcement provisions. There appeared to be a general tendency to "stay out of trouble," as one administrator said, by keeping within federal rules, but no interest in tightening or supplementing federal program provisions. In sum, the department tends to isolate federal programs administratively and to do little to elaborate on federal program requirements.

The Influence of Federal Program Signals on State Policies and Practices. State policymaking has not been much influenced by federal programs. Only one state initiative for a special needs population was stimulated by a federal program: P.L. 94-142 was evidently a major stimulus for the passage of the state's special education law, Act 754. (A court decision mandating that children be returned from out-of-state institutions also contributed to this state legislation.)

Otherwise, Louisiana has a striking absence of equity efforts, new programs, or leadership agendas to benefit those special needs populations defined by federal programs. The new remedial program associated with the state's competency testing will be aimed at special educational needs (those students who fail the tests), but there is no evidence that this initiative was in any way stimulated by federal involvement.

Few of the regulations or administrative practices introduced by federal programs have been adopted in Louisiana's state initiatives. Only the ideas of evaluation and needs assessment seem to have been adopted from federal programs for regular state programs to any notable extent; even there disentangling the effects of the accountability movement is difficult. The fiscal accounting requirements from the federal level have not been used in state programs, and most state program offices do much less in the way of monitoring and enforcement than do the federal program offices.

The notable exception to this is the state's special education program, Act 754, which resembles P.L. 94-142 in most ways and has complementary objectives. Like P.L. 94-142, it is a service mandate under which services are funded by state and local funds. It is also notable that the state's politically popular Gifted and Talented program is part of Act 754 and that these students are covered by the umbrella of state mandates modelled after federal ones. Finally, there is also a modest state program for reading improvement, called SPUR, which was modelled after Right to Read.

Louisiana has developed few policies for civil rights in the area of either desegregation or sex equity. Desegregation in the state has happened largely at the instigation of federal court orders and has been very unpopular. In general, department officials gave the impression that although many of these civil rights activities were focused on schools, they did not consider them an "educational" issue nor did they wish to be identified with them. The more general outcome of federal desegregation efforts appears to be a general dislike and distrust of any form of federal participation in education. Likewise sex equity is given very little support by the state, and several interviewees questioned its relevance to education.

The Consequences of Federal and State Program Interactions. Because federal programs tend to operate separately from department priorities and other activities, Louisiana experiences few of the difficulties that sometimes come from the interactions of closely related programs. Nor do the federal programs interfere much with other local or state priorities or activities. Interactions and coordination across programs are, in general, minimal.

One of the few examples of conflict between provisions of related federal and state programs came up in special education. Louisiana's law provides for service to "slow learners," while the federal law does not. A district that was being scrutinized by federal officials from OCR was chided for using its handicapped program to serve slow learners; the district's program manager had to convince them that the local program was in compliance with state law.

With relatively little state promotion of programs for special needs students, there is generally little competition between regular and special programs at the local level. The exception is in the area of special education: some local-level dissatisfaction with funding for that program was expressed.

The remedial services proposed in conjunction with the state's CBE program appear unlikely to compete in terms of either funding or services with other programs. Rather, because the department is seeking full state funding for the program (and will require no local contribution), and the services will be offered in the summer and after school (rather than during regular school hours), it appears that this will not conflict with regular local operations. The remedial program is expected to operate autonomously from Title I, although it may provide funds with which districts can hire former Title I teachers if that program loses funds.

We looked for evidence that federal programs constitute a burden to the SEA or that they conflict with other department activities. Instead, we found considerable federal contributions to the department. The federal contribution to the department's size and capacities was discussed earlier. In 1980-81, 36% of the department's administrative support came from federal funds. Thus, slightly over one-third of the department's activities and staff are federally supported.

At the state level, we heard very few complaints about the administrative burden of the federal presence with respect to either federal programs specifically or state operations in general. For example, one program director said he felt that the federal program pays for its paperwork.

Diverse federal and state programs are characterized by limited coordination at the state level. For example, although all the ESEA programs were consolidated into one division of the department two years ago, little programmatic interaction occurs among their staffs. The recent efforts to monitor all federal and state programs jointly has underscored the traditional separation among programs since there has been so much difficulty in pooling efforts for this undertaking.

Virtually the only example of coordination we found was that special education staff members have helped in the administration of Title IV-C funds for the handicapped. The general state of affairs was exemplified by a program director who said that he would "like to" coordinate with other programs "at some time."

Summary

State Context

- o Louisiana is socially conservative. The state's current priorities center on economic development and growth, not on the provision of social services.
- o The state has enjoyed an economic boom as mineral extraction and processing industries have developed. Recently, though, a revenue shortfall has been projected.
- o There is a lively and contentious political tradition. In education, this is reflected in the relationships between the Superintendent and other politicians such as the Governor and members of the State Board of Elementary and Secondary Education. Patronage plays an important role in state politics.
- o The state pays a large share of the costs of elementary and secondary education -- 56%, compared with 33% from the local level and 11% from the federal.
- o The federal presence in education is especially noted for two things in Louisiana:
  - -- school desegregation, which has been a highly unpopular process; and
  - -- the Title I audits of the early 1970s, which turned up substantial abuses.
- o The Superintendent, Kelly Nix, has concentrated his efforts on upgrading the standards of the regular education program (e.g., through competency testing and remediation). He has not sought to put a distinctive imprint on the state administration of federal programs.

The SEA as an Organization

- o Federal funds clearly have contributed to the growth of the department, although department officials believe that the state legislature would have been willing to finance much of the growth.
- o Such functions as monitoring and evaluation have increased, as have state activities in curriculum and technical assistance.

State Political Environment

- Louisiana displays little support for federal equal opportunity goals in education, although education is a political issue in the state. This is true inside the department as well as outside.
- Relatively speaking, special interest groups in education are less active in Louisiana than in other states.

State Management of Federal Programs

- Programs are administered cautiously and conservatively so as not to run into audit problems.
- Special education and Title I have been characterized by active monitoring for compliance.
- The state does not take initiative on civil rights, although a few past efforts were made to respond to problems associated with school desegregation.

State and Federal Program Interactions

- Most federal and state programs do not interact much because most state initiatives fall in the area of general education.
- The exception is in special education, where there is a good fit between the federal and state laws.

MASSACHUSETTS STATE PROFILE

Jane Sjogren
Brenda J. Turnbull

Introduction

The first of the original thirteen colonies to establish a locally funded system of public education, Massachusetts has longstanding traditions of providing social and public services for its citizens and of strong local control in their provision. Public responsibility for the social welfare of its citizens continues to be an important characteristic of the state. In recent years, however, this social and political priority has been both highlighted and undermined by unstable economic conditions and by increasing public conservatism at state and national levels.

Massachusetts is also characterized by a sophisticated and deeply entrenched political system, which functions largely within the Democratic party. Political influence and political considerations tend to be critical aspects of public policy decision-making at both state and local levels.

The Social, Political, and Economic Environment of the State

As a port of entry for many immigrant groups, the state developed a very heterogenous population. In part because of the diversity of needs among its population and because of its traditional stance favoring public responsibility for social welfare, the state offers a wide range of publicly sponsored social services which have substantial financial support from the public sector. Social welfare services such as family welfare, unemployment compensation, and old age assistance are funded at high levels relative to most other states. Other non-welfare services, such as public libraries and other facilities, are well supported too. Massachusetts also has a tradition of private and philanthropical support for many public and welfare-related services.

The political environment of the state is characterized by a high level of political activity. Local and state politicians are very visible. Interest groups of all types are numerous, active, and often influential at both state and local levels. Although bipartisan political activity is limited in this heavily Democratic state, primary elections have high voter turnout. Public offices are widely sought, and competition for them is often fierce. At the same time, perhaps because of the importance of the state's political life, political connections are powerful ones. Indeed, misuse of state public office or of public funds has occurred with some frequency. For example, several members of the state legislature and of the State Department of Education were convicted and ultimately imprisoned several years ago in a widely publicized case (uncovered by the Department itself) involving bribery and misuse of public funds for vocational education.

In addition to having an active state political system, Massachusetts has made substantial political contributions at the federal level. Both historically and currently, many important elected positions at the federal level have been held by "Bay Staters." As a result, Massachusetts has benefitted from its federal connections, particularly during Democratic administrations.

Another factor that contributes to the influence of the political system in the state is the fact that a large portion of the state's labor force, approximately 15%, is represented by state and local public employees. Most groups of public employees, especially municipal employees (including public elementary and secondary school teachers), are unionized. Many of these unions enjoy strong political support and influence, and until recently benefitted from statewide binding arbitration.

Economic conditions in the state during the last several decades have had a large impact on the social and political climate. Although Massachusetts has been considered a high-wealth state and has a very high level of tax effort, the state's economy has been subject to a number of severe economic fluctuations since World War II. Over the last decade and a half, economic conditions have gradually improved, although somewhat unevenly. Several national economic problems, however, such as the increase in prices of petroleum-related products, have had adverse impacts on the state's economy. State economic circumstances, as well as national trends, have contributed to the recent movement toward both fiscal and social conservatism in this traditionally liberal state. Governor Edward King's administration is generally considered to be fiscally and socially conservative as well as "pro business," despite its Democratic party ties. For example, it has pursued a "no growth" policy toward state spending. Nonetheless, taxation levels in Massachusetts continue to be among the highest in the nation.

Perhaps the most important outcome of the state's trend to social and fiscal conservatism was the passage, two years ago, of a restrictive property tax limitation law, popularly known as Proposition 2-1/2, which limits local property taxes to 2-1/2% of assessed valuation. Municipalities currently levying taxes in excess of this are required by state law to reduce property taxes by 15% per year until the limit is reached. From a political perspective, the passage of this law was generally interpreted as an indication of voter dissatisfaction not only with the property tax and its inequities, but more generally with the high level of taxation in the state and with inefficiencies in the operation of the public sector. Indeed, the taxpayer groups which were instrumental in the initiation of the legislation promoted the campaign by focusing on the problems of poorly administered public services. Although it was clear that in most cases Proposition 2-1/2 would initially decrease local spending levels, especially in urban areas where demand for public services is high, the long-term consequences of the law on the level of support for public services are not clear. Many municipalities have begun to freeze or reduce municipal employment and, ultimately, services. (State employment is also frozen at current levels.) However, municipalities are currently under state court order to revalue all property at full market value. (Most are substantially and unevenly undervalued.) This is expected to significantly alter both the size and the distribution of the property tax base throughout the state. In addition, the state has promised increased local aid. Given the state-level effort to limit its spending, it is not clear what changes in state aid to municipalities will occur. Overall, the state-wide effects of Proposition 2-1/2 are not yet clear.

At the same time, localities generally resent the state's imposition of certain state-mandated costs and services, especially in the area of public education. Although the Governor's office promised compensation to localities for the effects of Proposition 2-1/2, many municipalities are especially unhappy about the effects of the property tax limitation at a time of limited state spending and increasing costs for public sector activities such as education.

Education and the State Environment

Public elementary and secondary education in Massachusetts has a strong tradition of local control. Given the size of enrollments in public elementary and secondary schools in the state, 1,035,000 in 1980-81, Massachusetts has a large number of districts, 436, many of which have small numbers of students.[1] (Most school districts are geographically coterminous with and operated as part of municipalities.) The strength of local control is reflected in the large (by national standards) share of local funding for elementary and secondary education, 54% of the total. The state share is 39%, and federal funds account for the remaining seven percent.[2] While there is an explicit effort to increase the state share of funding for education, there has been a slight decline in the share of the state budget going to public elementary and secondary education in recent years.

The level of expenditures per student in Massachusetts is high by national standards, at $2,629 (in 1978-79). This high expenditure level is attributable both to relatively high educational costs and to the priority given to education; however, estimating the relative impacts of these factors is difficult. For example, teacher salaries in Massachusetts are approximately 138% of the national average for 1980. Some attribute the high level of spending per student to the increase in services (particularly mandated services) per student. In addition, enrollments have declined substantially in Massachusetts over the last decade, by nearly 12%.

---

[1] All expenditure figures in this report are for 1980-81 unless otherwise specified.

[2] These figures are based on a national comparison prepared by the National Center for Education Statistics -- Digest of Education Statistics, 1981. Figures compiled and used by the Massachusetts State Department of Education, however, indicate that the local share is 62%, the state share 35%, and the federal share five percent. (The figures do not add to 100% because of rounding.)

Education is not considered to be a major political concern at the state level. State legislators do not consider it an important political issue, and the current governor abolished the cabinet-level position in education. However, increasing costs, declining enrollments, state-mandated services, and the effects of Proposition 2-1/2 have raised critical issues and in many ways have exacerbated local resentment of the state role in education and made education an important issue at the local level.

The state has a wide range of education interest groups, many of which are politically active. These include the parents of handicapped students, teacher unions, minority groups, and citizen groups such as those representing school committee members. Many of these groups have been very active at various times in the recent past in developing support for current state education laws and service mandates, especially those for special needs students.

The influence of interest groups on service requirements and educational costs is particularly important within the context of Proposition 2-1/2. The passage of this law is likely to have profound long-term effects on the operation of public education in Massachusetts for two reasons. First, the imposition of a local property tax limit in a system which relies heavily on local revenues as a source of support for education is strongly and immediately felt in local school systems. Second, an important aspect of Proposition 2-1/2 was that it ended the fiscal autonomy of local school committees. Previously, budgets passed by a school committee had to be financed by the municipality with its revenues from local and state sources. This arrangement gave school committees extensive power over municipal budgets and spending. Many people attributed the increase in educational costs and in municipal fiscal difficulties to this system. Under the new law, municipalities now have full budgetary and spending authority for local public education.

Massachusetts has an extensive and politically influential non-public school segment which accounted for approximately 19% of all schools and 12% of elementary and secondary school enrollments in 1980-81. Although there are a number of secular non-public schools, many of which are well-established and nationally recognized, Roman Catholic schools account for most (76%) of the non-public elementary and secondary schools. Non-public school attendance has increased sharply over the last decade, particularly in urban areas.

Education Policy Within the State

Structure of Education Policy

Historical Review. In the early years of ESEA, the Massachusetts Department of Education was a notoriously weak agency, devoted to "the religion of localism" to the point of being reluctant to award funds selectively or to monitor and enforce federal requirements.[1] This changed in the early 1970s, apparently because of factors within the state. First, interest groups representing special needs students won the enactment of state legislation for these students -- racial minorities, language minorities, girls, and the handicapped. Most of these laws antedated their federal counterparts. A second reason for the change in the department was the appointment of Commissioner Gregory Anrig, who did not hesitate to enforce the state laws aggressively.

Civil rights issues have been the major focal points for the department over the past decade. This has been the case at a time when school desegregation has caused great social and political turmoil in the state, especially in Boston. Consequently, within a few years after the enactment of the state's progressive education legislation, there was scant support in the legislature for enforcement of civil rights. Federal funds have, therefore, been important in supporting and maintaining the department's activism.

The state laws for special needs students are still in effect and seem unlikely to be changed in major ways soon, largely because the interest groups that originally advocated them are still strong, and numerous court cases have upheld the laws. The local financial strain occasioned by Proposition 2-1/2 has not yet altered the state's education laws, although a bill introduced in 1982 would have earmarked for education some state aid provided to cities and towns.

One recent change is the appointment at the beginning of 1982 of a new Commissioner, John Lawson. He said in an interview that he believes the department could now lessen its emphasis on monitoring local districts and should turn its attention to curriculum.

Major Programs. The great bulk of state aid to education is distributed in a weighted formula; categorical programs are few in number and small in size. State mandates protect the rights of most major categories of special needs students. The mandates include:

o Chapter 71A, the Transitional Bilingual Education (TBE) law enacted in 1971, outlines the components of bilingual programs that must be provided to students of limited English-speaking ability.

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972; Murphy, Jerome T. State Education Agencies and Discretionary Funds, Lexington, Mass.: Lexington Books, 1974.

- Chapter 622, also dating from 1971, requires the provision of equal educational opportunity regardless of race, color, sex, religion, or national origin. This law, which antedated the federal Title IX, has been the major spur to sex equity in Massachusetts.

- Chapter 766, passed in 1972 for implementation two years later, addresses the education of the handicapped. It contains several provisions that were to reappear in P.L. 94-142 -- least restrictive environment, individualized education programs (IEPs), parent involvement procedures, and others. The state regulations for the handicapped are both broader and more stringent than the federal ones.

Funding Systems and Levels. Before 1978, groups such as vocational educators would lobby for increases in their program funds -- at the expense of other groups, if necessary. In an effort to reduce this kind of struggle and to increase the equalization of resources among districts, the department of education won the amendment of Chapter 70, the law distributing state support to local districts. The new Chapter 70 formula includes pupil weightings for the handicapped, students in vocational programs, students in TBE, and low-income students. The formula also includes a factor that increases the funding for districts with low equalized property wealth. Proponents of Chapter 70 planned that as state support increased over the years, the formula would have a more and more equalizing effect since the original "save-harmless" guarantees would lose their force. However, funding has not increased much, with the result that the save-harmless provision still assures many wealthier districts their original levels of support.

Although a district's Chapter 70 aid is partly determined by the size of its special needs populations, the concept of local control precludes any effective state role in ensuring that funds are spent on these students. The local allocation arrives as a lump sum payment to municipal authorities, with no itemization of how many dollars were generated by each group of students.

Indeed, there is no way to be sure that Chapter 70 aid is spent on education at all. The funds go to the city or town, not to the school board or district office. This fact made little difference in the past when local school boards had "fiscal autonomy" -- that is, they set the local education budget, and the town was obliged to come up with the funds. But, Proposition 2-1/2, by ending fiscal autonomy, has made the schools just one of the many contenders for a community's local and state funds.

In addition to Chapter 70 aid, the state provides small sums in categorical aid. Most notably, $17.6 million goes to districts for projects related to desegregation.

In 1980-81, state school aid amounted to $967.5 million and accounted for approximately 35-39% of total expenditures for elementary and secondary education in the state. (See Footnote 2 on Page 5) Chapter 70 aid has remained steady at $716.5 million for the last several years.

Key Actors. Key government figures elected in Massachusetts reportedly are not very interested in education, perhaps viewing it as a local matter. Governor Edward King, recently defeated by Michael Dukakis, launched no initiatives for elementary and secondary education, although the governor's office of Administration and Finance plays an important role in deciding on funding for education and staffing for the department. According to legislators, legislative staff, and others, leaders in the legislature show a similar lack of interest in the public schools.

Thus newly appointed Commissioner Lawson is the most visible state government official on the elementary-secondary education scene. Another important figure is the Executive Deputy Commissioner, Michael Daly, who in his former capacity as a state legislator co-authored much of the state's education legislation.

Groups representing special needs students, especially the handicapped, are influential in education matters. The teachers' unions also carry weight, the Massachusetts Teachers' Association in particular. Increasingly, taxpayers' groups are influential in all areas of policymaking at the state level. The key actors also include a few members of the legislature (but not its leaders) and some local superintendents.

Formally, the State Board of Education is responsible for a great deal of policymaking. In the past, the board has been amenable to most recommendations from the department, but recently it has overruled the department on one or two matters. The 12 board members are appointed by the Governor for up to two five-year terms. There has been speculation among some observers that the board has become more conservative recently and less likely to take the strong stances in favor of equal opportunity that characterized it in the past. Evidence to date, however, is not clear.

The courts have been important actors in desegregation. Federal Judge W. Arthur Garrity, Jr. has in many ways controlled the Boston schools since 1974. The Department of Education often involves the courts in educational matters when it takes school districts to court for alleged inequities. (Federal funds support the general counsel's office in these actions.)

Organizational Divisions and Operating Style. The department has five divisions (see Figure 1), each operating with a good deal of autonomy. They are:

- School Facilities and Related Services -- administers the school food services program; provides funds for assistance in building schools; and carries out other management services.
- Occupational Education -- allocates vocational education funds to local high schools, area vocational-technical schools, and postsecondary institutions. This division has a variety of other responsibilities such as oversight of proprietary schools, training for firefighters, etc.

- Administration and Personnel -- calculates local allocations under Chapter 70 (the general operating aid formula); develops the department's budget; does most of the data collection, processing, and reporting; and handles internal personnel matters such as collective bargaining.

- Special Education -- oversees the implementation of P.L. 94-142 and Chapter 766; it has responsibility for grants management, the appeals process, and the bureau of institutional schools.

- Curriculum and Instruction -- houses the federal programs other than vocational education, special education, and school lunch. This includes the Elementary and Secondary Education Act (ESEA) Titles I, II, and IV; the Emergency School Aid Act (ESAA); bilingual education (federal and state); adult education; and teacher-training funds provided under various categoricals, which are pooled to support the Commonwealth Inservice Institute program of small grants for local projects.

The Equal Education Opportunity Bureau, located organizationally in the Commissioner's office, has a staff of 22 professionals who monitor and assist local districts in complying with state and federal laws pertaining to equal opportunity.

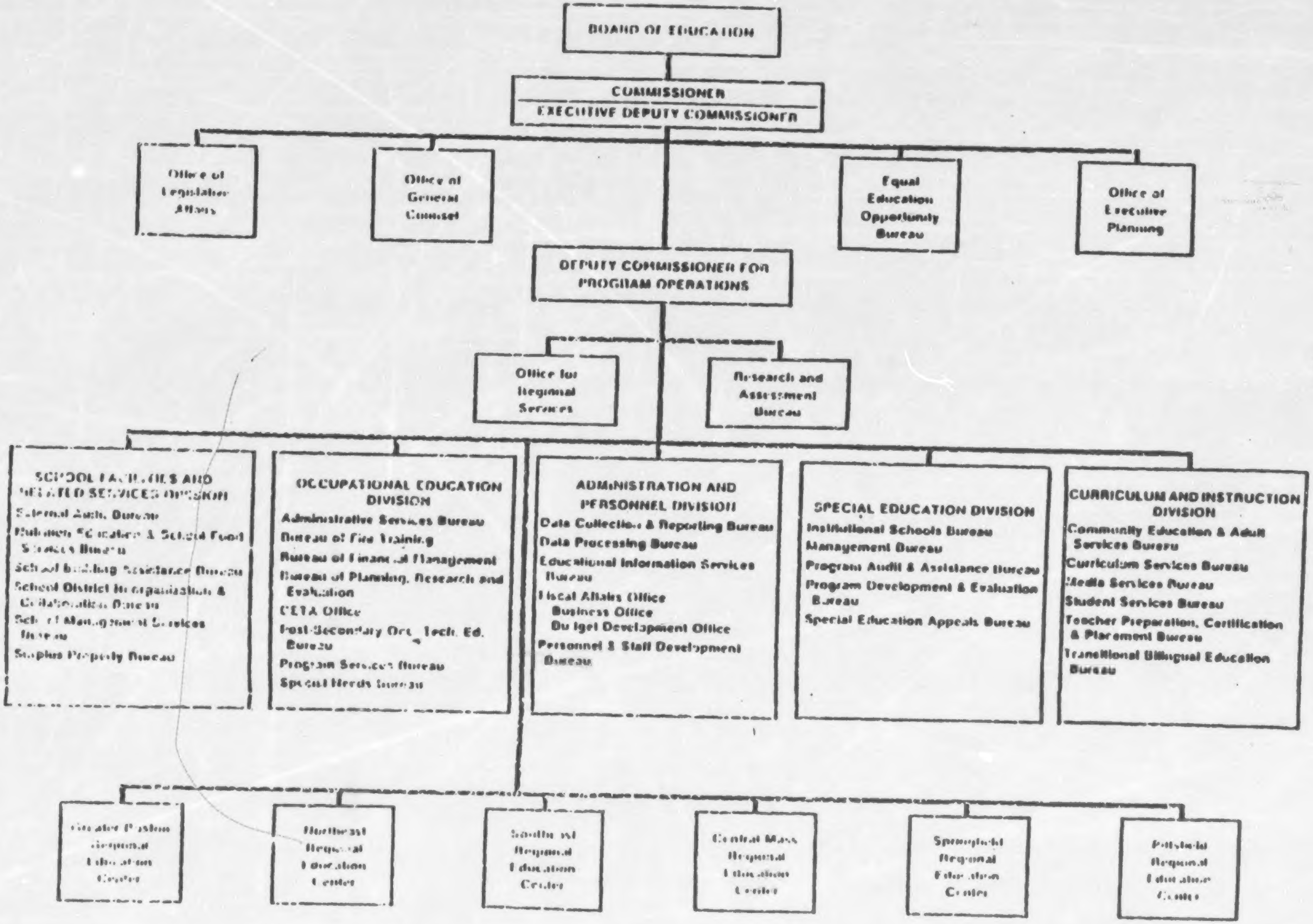
On most day-to-day matters, the divisions work independently from one another. This has led some observers within the department to characterize them as "fiefdoms." They suggest that the divisions of Special Education and Occupational Education, which have direct channels to federal funds and regulations, are particularly likely to operate independently from the other divisions. The former Commissioner was not displeased with the independence of the divisions; he says that he delegated many decisions to them, and that on important matters they followed his lead. Emphasizing the need for the department to speak publicly with one voice, he forbade department staff to work independently with members of the legislature. The new Commissioner does not seem satisfied with the extent of coordination among divisions, however. He indicated he plans to engage the associate commissioners in more group decision-making.

We noticed that the strongest horizontal ties within the department seem to be at the middle and lower levels. Many of these ties result from personal friendships between long-time staff members, many of whom have worked in several programs.

A significant feature of the department's organization is the amount of responsibility given to the six regional offices. These offices house a total of nearly 200 professionals. Regional office staff are the primary contact people for local district administrators. The department's central headquarters houses the program managers and staff offices. Thus policy is made centrally, but most program operations take place in the regional offices.

The department's operating style has been assertive, even pugnacious, in dealings with local districts and with Washington. State laws have given the department considerable authority to monitor, audit, and

Figure 1: Massachusetts Department of Education Organization Chart


BOARD OF EDUCATION
COMMISSIONER
EXECUTIVE DEPUTY COMMISSIONER
Office of Legislative Affairs
Office of General Counsel
Equal Education Opportunity Bureau
Office of Executive Planning
DEPUTY COMMISSIONER FOR PROGRAM OPERATIONS
Office for Regional Services
Research and Assessment Bureau
SCHOOL FACILITIES AND RELATED SERVICES DIVISION
External Audit Bureau
Nutrition Education & School Food Services Bureau
School Building Assistance Bureau
School District Reorganization & Collaboration Bureau
School Management Services Bureau
Surplus Property Bureau
OCCUPATIONAL EDUCATION DIVISION
Administrative Services Bureau
Bureau of Fire Training
Bureau of Financial Management
Bureau of Planning, Research and Evaluation
CETA Office
Post-Secondary Occ. Tech. Ed. Bureau
Program Services Bureau
Special Needs Bureau
ADMINISTRATION AND PERSONNEL DIVISION
Data Collection & Reporting Bureau
Data Processing Bureau
Educational Information Services Bureau
Fiscal Affairs Office
Business Office
Budget Development Office
Personnel & Staff Development Bureau
SPECIAL EDUCATION DIVISION
Institutional Schools Bureau
Management Bureau
Program Audit & Assistance Bureau
Program Development & Evaluation Bureau
Special Education Appeals Bureau
CURRICULUM AND INSTRUCTION DIVISION
Community Education & Adult Services Bureau
Curriculum Services Bureau
Media Services Bureau
Student Services Bureau
Teacher Preparation, Certification & Placement Bureau
Transitional Bilingual Education Bureau
Greater Boston Regional Education Center
Northeast Regional Education Center
Southeast Regional Education Center
Central Mass Regional Education Center
Springfield Regional Education Center
Pittsfield Regional Education Center

MARCH 1981

initiate legal action when services for special needs students are in question. Although the department also provides assistance, most of its interactions with districts are aimed at ensuring that the laws are followed. The existence of the state laws has also given Massachusetts officials an informal authority in dealings with the federal government. Department staff seem to assume that the federal government, having enacted some of its laws for special needs students more recently than Massachusetts, can benefit from learning how the state does things.

The department has a strong sense of professionalism, but the profession is not necessarily education. For example, two key members of the Commissioner's staff said in interviews, "I'm not an educator" and went on to describe other professional identities. Legal, analytic, and political know-how are valued in the department's upper echelons. This reflects the department's emphasis on monitoring legal compliance as a means to providing educational leadership. Educators are more in evidence at lower levels of the department, where the interactions with districts generally take place.

We heard mixed reports on the caliber of the department's staff. Despite a substantial increase in 1981, salaries are low. One superintendent commented that a senior educational specialist in the department who earns $22,000 per year is not likely to be very knowledgeable when compared with a school principal who earns $33,000. On the other hand, a program manager in another district said the department attracts some highly skilled young people who spend a year or two in a regional office while looking around for good management positions in districts.

Operation of Federal and State Programs

Programs for Special Needs Students. Education policy in Massachusetts is dominated by programs and mandates for special needs students. In fact, there is talk of a backlash among supporters of the regular education program: members of the State Board of Education and the legislature are among those saying that "the regular kid" needs spokesmen too. Advocates of programs for the gifted and talented have also shown signs of a backlash against the other special programs. Still, none of this has produced legislation, and both the laws on the books and the department's administrative performance reflect the strong influence of special needs interest groups. In general, people in the department report that there is an excellent fit between state and federal programs for special needs students.

General Education. Little of the department's energy goes into programs in general education, reflecting both the state education laws and traditions. However, the new Commissioner has stated that he intends to increase the department's technical assistance in curriculum -- an increase that, he recognizes, will have to come at the expense of some compliance monitoring of the special needs laws. State administrative activities under Chapter 2 of the Education Consolidation and Improvement Act (ECIA) will include such technical assistance.

Massachusetts has a basic skills policy -- a state board policy that provides no special state funding but requires districts to measure and upgrade all students' basic skills. Title II of ESEA, although very limited in its funding ($140,000 in 1981-82), provided some help in implementing this policy. The Massachusetts policy on basic skills differs from those of other states in two ways: the tests are not to be used for promotion or graduation of students; and the choice of what material to test is left largely in local hands (until high school, on the rationale that graduating students should have a core set of skills).

Education of the Handicapped. Chapter 766 closely resembles P.L. 94-142 and contains more detailed prescriptions than the federal law. Local special education administrators seem to follow the requirements of Chapter 766, knowing that this will keep them in compliance with the federal law as well.

Chapter 766 has always been a controversial law at the local level. Proposition 2-1/2 has heightened the resentment over the steady or increasing costs of special education that must be paid out of shrinking local budgets.

At the state level, two issues in the relationship between Chapter 766 and P.L. 94-142 have been irksome to the department:

- The federal law requires that data be collected and reported on the number of students identified who have each type of handicapping condition. Massachusetts, however, forbids the labeling of students in this way, classifying them instead by the settings in which they receive services. After former Commissioner Anrig threatened to sue the U.S. Office of Education over this issue, Massachusetts was permitted to work out its own reporting system.
- Theoretically, the supplement-not-supplant requirement in P.L. 94-142 results in the use of federal dollars for nonessential support services in districts--and, according to SEA staff, this breeds resentment at a time when district programs in regular education are being cut back. The department applied for a waiver of the supplement-not-supplant requirement in 1978, primarily in order to force the federal government to define the acceptable flexibility in this requirement. We found no awareness in districts, however, that this is or was an issue; nor did it appear to be a source of active concern to the department.

Vocational Education. State aid for vocational education, provided through a weighting in the Chapter 70 formula, reimburses districts for their expenditures, but federal aid is provided up front for local projects. Thus the five percent share of vocational education expenditures borne by the federal government is viewed as a vital source of leverage on local programs.

The department endorses the set-asides for special needs students in vocational education. In fact, the only set-aside with which state officials disagree is the one for Consumer and Homemaking education. The

$50,000 fund for sex-equity activities is seen as unnecessary since the state was already spending several hundred thousand dollars in this area--in effect, then, this pool of federal money supplanted a portion of the state spending.

There is an issue in Massachusetts about the amount of support and attention given to the 27 area vocational-technical schools. These schools, which are mainly located outside the cities, have had strong support from the Massachusetts Association of Vocational Administrators (MAVA). In the 1970s, the department decided to use 85% of federal vocational funds in the cities and towns, where more minority and female students were served. At about the same time, the department began working to increase the enrollments of girls, the handicapped, and minorities in the area schools. These decisions (which, incidentally, fit well with the priorities indicated in the 1976 vocational amendments at the federal level) drew a hostile reaction from MAVA, which attempted unsuccessfully to pull vocational education out of the department.

Compensatory Education. There is no state compensatory education program. Although low-income students receive a weighting of 1.2 in the Chapter 70 formula, this works as a way to get more money into high-poverty districts rather than as a way to target funds directly on such students. Neither is there a special state program for low-achieving students, although those who fail to meet locally defined competency standards are supposed to receive remedial help.

Title I provides Massachusetts with $68.2 million and is, in general, a congenial program for state officials. There are a few state-level complaints about the complexity and reported inflexibility of the regulations, chiefly comparability. Local administrators report that the state interprets the law's requirements very strictly. They are unable to adopt exemplary programs that are legal in other states because Massachusetts interprets the federal law in a restrictive manner. They say that the state is especially intent on preventing any overlap with special education or bilingual services.

Desegregation. Chapter 622 closely matches the federal civil rights guarantees. In the area of civil rights, state officials especially appreciate the funding they receive under Title IV of the Civil Rights Act (a total of $895,522), which supports their compliance and assistance activities. Without this federal funding, they believe they would have to curtail this work considerably since the state legislature would be reluctant or unable to fund it.

The department has been out front on desegregation--in contrast to leaders in the state legislature. This has caused local resentment in some communities undergoing desegregation.

The resentment has been softened by the state's provision of nine million dollars in targeted financial aid under Chapter 636, a state program that resembles ESAA in design. This money cannot be used to prevent racial tensions from developing (a restriction that disturbed one

80

local official we interviewed). Instead, six million dollars (Section 1 of Chapter 636) goes to communities that have started to desegregate in an entitlement formula. There is very wide latitude for local decision-making about how to use the money; schools may use it for compensatory reading and math, programs for the gifted, art, and music. The remaining three million dollars (Section 8) are allocated to desegregating districts at the department's discretion. It is referred to as "leveraging" funds and includes funding for "magnet school" programs. At the state level, the administration of Chapter 636 is supported by federal money. Massachusetts also received $1.8 million under ESAA in this school year. State officials fear that with the disappearance of these federal funding sources, the department's role as a leader in desegregation will become even more politically risky as well as financially difficult. Chapter 636 is supplemented by the METCO program, which supports inter-district desegregation efforts. This program was funded at eight million dollars.

Bilingual Education. The state's Transitional Bilingual Education law contains requirements that fit well with the Office of Civil Rights' (OCR's) Lau requirements and with the provisions of ESEA Title VII. Again, federal funding under Title IV of the Civil Rights Act has been instrumental in enabling the department to monitor and help local districts in complying with the state and federal mandates. State staff administer TBE, Title VII, the Title I Migrant program, and Lau compliance more or less as one big program. They themselves are supported by Title IV funds and Title VII technical-assistance funds, as well as state funds.

Sex Equity. Chapter 622, enacted a year before the federal Title IX, ensures equal access to courses, programs, and extracurricular activities regardless of sex. The state has been especially active in enforcing this law in vocational schools, athletics, and courses. In general, though, we were told that racial desegregation has been a higher priority for the department than the more subtle kinds of discrimination proscribed by Chapter 622.

Operational Style

The department displays a striking similarity in operational style from program to program. Across the board, it is oriented to enforcing the rights of all groups of special needs students. Its arsenal of techniques for doing this include on-site program reviews, the collection and analysis of statistics on the representation of different groups in specific parts of local programs (e.g., the proportion of Hispanic students in special education resource rooms) and legal action against districts. Unlike other SEAs, this department does not contain notable differences in culture between federal and state program offices.

State Plans for ECIA[1]

Chapter 1. Consistent with its record of interpreting Title I requirements conservatively, the Title I office seems inclined to retain these requirements under Chapter 1. For example, districts were told that they should continue to collect data on comparability using the procedure prescribed under Title I. (A local program manager told us that in his opinion this was unwise since it would provide ammunition for future audits; he would prefer not to have any information on the extent of adherence to comparability in his district.)

Chapter 2. The chairman of the legislature's Joint Education Committee showed some early interest in distributing 100% of the Chapter 2 funds to local districts, leaving the department without any share. This idea did not last long, however, and the department is now slated to receive 20% of the funds.

The committee appointed to oversee Chapter 2 has also decided on a formula for funds allocation to the districts. There has been a sense all along that the potential losers under the block grant would be the urban districts that are reducing their spending because of the Proposition 2-1/2 property-tax limitation. For the most part, these are the same districts which had grants under the programs that have now been folded into the block grant. Some of these districts were represented on the committee and made their views well known. The upshot has been a formula that allocates 40% of the local funds on the basis of enrollment and 60% on the basis of the Aid to Families with Dependent Children (AFDC) counts. (The department went into the committee meeting advocating this formula, and it quickly won agreement.) For the most part, the AFDC factor targets funds to the districts that are suffering under Proposition 2-1/2. It also provides funds to make up the loss of ESAA moneys in most of the ESAA districts. (An exception is the city of Cambridge, which has won substantial ESAA help for voluntary desegregation; however, because it does not have an especially high level of poverty, it will lose federal funds.)

The state plan for spending the 20% share of funds retained in the department emphasizes leadership and assistance for improvement in the quality of education. Commissioner Lawson's interest in friendlier, more education-oriented dealings with school districts appears to be reflected in this plan.

The Interactions of Federal and State Policies and Programs

Effects on the SEA as an Organization

The preceding section reviewed the major characteristics of the Massachusetts Department of Education. This section analyzes the relationship between federal programs and the department's organizational characteristics.

---

[1] As of early Spring 1982.

Size and Structure. The department has clearly grown with the receipt of federal funds, and 42% of the staff is now federally supported. (This translates into 308 positions out of 726, excluding from the total the 147 state employees who work in state institutions.) The percentage of federally supported staff in each program is shown in Table 1.

Table 1

Percentage of Federally Supported SEA Staff

Office of the Commissioner	46%
Deputy Commissioner for Program Operations (includes regional office staff)	49%
Administration and Personnel	26%
Curriculum and Instruction	42%
Occupational Education	44%
School Facilities and Related Services	38%
Special Education	58%

We were told that federal funds have enabled the department to hire people to carry out functions that the state legislature would not have funded. Department managers view the situation in this way:

- They assume that the department's civil rights activities would be much more controversial in the legislature than its educational activities. Therefore, state funds are used to hire "educational specialists" while federal funds support "civil rights specialists."
- Similarly, in the belief that the legislature would not support a general counsel's office that frequently sues school districts, department managers have chosen to support this office with Title V money.

On the other hand, there are some contrary opinions and evidence:

- An observer outside the department said that state policies both within and outside the department played a large part in its growth. "Federal money fueled the growth," this observer said, "but the dynamic was there. The initiative has been there at the state level." Much of this initiative has come from the interest groups, which are still strong, and from department leadership.

- The 1983 state budget picks up many of the employees whose jobs were threatened by the prospect of reduced federal funds. Among these is the general counsel, whose efforts are largely directed at civil rights. The state's commitment to the civil rights specialists has not been tested since the state was able to win funding under Title IV of the Civil Rights Act that is only five percent below last year's level; thus these employees can still be supported by federal money.

The organizational structure corresponds to federal program lines in some respects, notably in the separation of Occupational Education and Special Education from other program divisions. Special Education, however, became a separate division in 1971, before P.L. 94-142 was enacted.

The divisions are perceived to be relatively autonomous, partly because of their access to earmarked federal money. But the history of the department does not show that a formerly unified agency was fragmented by the arrival of federal categorical funds. Instead, an inchoate group of offices acquired a structure because of federal funding[1], and the divisions then took on administrative responsibilities that were created by state legislation for special needs students. Before 1978, the state's finance system contributed substantially to the rivalry among divisions. Vocational education had its own funding, while special and bilingual education were supported off the top of state allocations to districts. These arrangements made the different areas of education competitors for funds. Many feel that the current state aid formula (Chapter 70) has been effective in dissipating this rivalry and, ultimately, in unifying the department's efforts.

Finally, the department has operated through regional centers since the 1970s, concentrating most of its program specialists in the regions and leaving at the central headquarters a staff mostly composed of managers and staff offices. To local administrators, especially those in the federal programs, the regional centers _are_ the department. Federal programs seem to have had nothing to do with the decision to adopt this structure, except perhaps indirectly by helping to make the department large enough to make decentralization feasible. Some department staff members feared the department would have to change or abandon this structure if there were substantial cuts in federal funds. For 1983, however, the department is losing only three positions, and the regional centers may even grow.

Monitoring and Enforcement. The presence of federal funds and federal program requirements has affected the department's focus, capacities, and activities, but often in peripheral or secondary ways. For example, department staff now do a tremendous amount of monitoring, but federal programs were not directly or primarily responsible for this. Each program -- state or federal -- contains numerous procedures for checking up on local compliance. Administrators in local school districts agree that the state pays close attention to compliance, especially where civil rights are concerned. A disproportionate number of students of either sex or any racial or national origin group in a program is almost sure to draw state scrutiny.

---

[1] Berke, Joel S., & Kirst, Michael W. _Federal Aid to Education: Who Benefits? Who Governs?_ Lexington, Mass.: Lexington Books, 1972.

Procedures (Plans, Needs Assessments). The department's emphasis on procedures has increased over the years; its whole administrative apparatus has become more complex and formal since the early days of ESEA aid. Still, we did not find a great reliance on procedures or plans as a management technique.

Evaluation and Research. Evaluation has not been a major concern of the state. The "basic skills policy" initiated by the department and the board requires districts to do competency testing, but we found little activity at the state level related to this. Similarly, the state takes a fairly low-key approach to local program evaluation. In general, this reflects the state's low level of activity in instructional matters.

ESEA Title V has helped the department build its number-crunching capacity (i.e., it pays for the department's computer and some of the people's time needed to use the computer). This enables the department to keep track of the effects of its financing formula on the cities and towns, and to monitor compliance with the civil rights laws. There is one recent example of research capacity being partially supported by the federal government: the department has just finished a report on the implementation of Chapter 766, a study launched with support from the former Bureau of Education for the Handicapped in the United States Office of Education (USOE).

Technical Assistance. Technical assistance seems to be in favor as a way for the department to work with districts. Clearly, though, the line between technical assistance and monitoring is somewhat fuzzy. Some say that technical assistance is a good role because "you get more done by being positive;" others reportedly say monitoring is a first step that can be followed up with assistance. In short, it is assumed that the department's goal will continue to be ensuring compliance with the mandates.

Curriculum. Curriculum is not a very visible concern of the department, although the new Commissioner has begun to talk about carving out a role in curriculum assistance, and there is other scattered talk of helping districts with educational matters such as the use of computers.

The divisions oriented to special needs students do not do much in curriculum. The Division of Curriculum and Instruction may use Chapter 2 funds to launch some general-purpose curriculum activities.

Overall, federal dollars have helped to build some kinds of capacity in the department, but the functions the state now uses in its programs were generally started at state, not federal, initiative. For example, monitoring has been an integral part of the department's administration of state laws (which, in general, predated the corresponding federal laws). It is true that monitoring efforts have been partially supported with federal funds and that the state legislature reportedly would be unwilling to support so much monitoring. However, the federal government did not introduce monitoring. Instead, it helped finance the department's monitoring of the state's mandated programs -- which are not only congruent with, but often more explicit than, federal programs.

There are a few examples of federal funds having provided seed money for activities that grew and were eventually picked up by the state. One is the METCO program of voluntary metropolitan desegregation, which started as a project under the old ESEA Title III and now receives a state appropriation of $8.7 million. Another is the state's decision to fund the salary of the legal counsel, whose salary until now has been paid from Title V funds.

The state makes considerable use of its information-processing system, which is supported in large part by Title V funds. This system is used not only for state administrative functions but also for compiling *prima facie* evidence on district compliance with civil rights requirements and for advising the Legislature on state aid matters.

In sum, federal programs contributed to increasing the capacity of the Massachusetts Department of Education but were not a primary force for change. Rather, concurrent changes in the state political environment as well as in intergovernmental relationships (described below) were more important factors.

Changed Intergovernmental Relationships. Relations between the Massachusetts state education agency (SEA) and the federal government are best characterized as a two-way street. For example, the fact that federal programs exist clearly has increased the department's incentive to lobby federal policymakers, but the capacity and the inclination were probably there all along. As noted earlier, politics is important in Massachusetts. State and federal political ties are strong, and the department is in frequent communication with the state's Congressional delegation. Officials describe their influence on P.L. 94-142 through Speaker O'Neill and on the Bilingual Education Act through Senator Kennedy's staff.

The preceding Commissioner, Gregory Anrig, encouraged the associate commissioners to stay in touch with Washington. One purpose was to gather information; another was to negotiate the details of program management -- something that Anrig felt was best handled at the program level. He commented that the program offices could be flexible in a way that the U.S. Secretary of Education could not, since "the Secretary has to worry about the effect on 50 states." Communication between division directors and their federal counterparts, in other words, was a way of obtaining differential treatment for Massachusetts.

State program directors are also active in national organizations of their counterparts in other states. One of them said, however, that state travel restrictions in the last few years have made it more difficult to keep up these ties.

At the same time, the SEA has increased its authority over school districts. There is no reason to attribute this change to the existence of federal programs. Title I is the only major federal special needs program that has no state counterpart in Massachusetts, and it is not administered more authoritatively than the other programs. School district staff definitely perceive that the department's operating style is oriented to compliance, but this applies to state programs and mandates at least as much as to federal programs.

Local control is far from dead in Massachusetts. Although the state now has -- and uses -- far more authority than it did 10 or 20 years ago, it is often challenged by the districts, and there is a great deal of state-local negotiation. For example, state auditors recently said that nine districts owed the state $1 million because they had failed to follow the right procedures in recordkeeping for special education. The districts sued the state on the grounds that they had not been told about the required procedures, and won a decision wiping out half their debt to the state.

State-local relations seem to vary with the personal relationships involved. One superintendent said he has very different views on the various individuals in his regional center and that he pays attention to only some of them. Superintendents, too, have their individual ways of dealing with the state.

To a limited extent, federal programs contributed to these changes in intergovernmental relationships. It is important to recognize, however, that this occurred at a time when the department was headed by a chief whose goals for the organization were explicit, who strongly promoted access-oriented educational priorities similar to those in federal special needs programs, and who was effective at achieving those goals.

State support for federal goals and activities was high in the 1970s, when the state legislature was passing laws for special needs students, but has diminished in recent years. Changes in the SEA leadership may contribute to a shift in priorities in the department and herald a different role for federal programs within the SEA's organization.

State Political Environment

The social, economic, and political environment in which the Massachusetts SEA operates was discussed earlier. This section focuses on the interaction between federal education programs and state education policymaking. The influences of the state legislature, interest groups, governor, state board, and SEA leadership are discussed as to how they affected the institutionalization of the federal programs.

The State Legislature. During the past 15 years, there has been considerable support in the state legislature for many of the goals of federal programs although the federal programs themselves have not been particularly visible. This is evidenced by the passage of many state programs that correspond to federal ones. As the department became stronger organizationally and politically during the 1970s, its relations with the legislature were congenial. Much of this change is attributed to the former state commissioner of education.

However, state support for federal goals and activities, which was high in the 1970s when the state legislature was passing laws for special needs students, has clearly diminished in recent years. Desegregation has been painful in the state, especially in Boston, the capital, with the result that legislators are reluctant to ally themselves with initiatives for social change through the schools. A legislative staffer says dryly that desegregation is "not a very popular thing to get involved in." Declining enrollments have also been a contributing factor in the legislature's decreasing interest in education.

Legislators are also aware of the local backlash against both the extent and the cost of mandated service programs, especially special education. Last year there were attempts to amend the special education and bilingual education mandates, but these were beaten back by interest groups. For example, the new chairman of House Ways and Means proposed a 10% cap on special education placements, but the idea was "one of the first things to go -- even before the conference committee," according to an interviewee.

The Governor and the State Board of Education. Governor King took no visible interest in elementary and secondary education. Indeed, he abolished the position of State Secretary of Education. (He did take an active role, however, in the reorganization of higher education in 1980.)

The State Board of Education, which in the past had been a strong supporter of equality in education, may be changing its position. This winter the board rejected a department recommendation that federal vocational education funds be concentrated more heavily in poor communities by withholding the funds from 35 affluent communities. It is not yet clear whether this signals a change in the board or was merely an instance of assertiveness with a new Commissioner.

Interest Groups. Special interest groups were strong forces in state education policymaking before the federal programs came along. It is generally agreed that these groups played the dominant role in winning enactment of the state laws for special needs students. One observer of the political scene said that the process of getting the state special education law passed helped to strengthen the groups involved. Federal programs appear to have had little direct effect on the number or influence of special interest groups at the state level.

SEA Leadership. Little change in the position of SEA leadership in the political environment can be directly attributed to federal programs. The department became much stronger politically in the 1970s, but this was due to the actions of the Commissioner. Some examples that were mentioned to us include:

major groups in his office every six weeks or so. They did not necessarily come up with a united front, but they were able to negotiate some of their differences privately. The department thus gained a key role in pulling the groups together.

- He hired as executive deputy commissioner, the former chairman of the House Education Commmittee, a legislator who had gained the trust of many of the state's important politicians. This enhanced the department's political credibility.
- In response to Proposition 2-1/2, he developed a number of cost-cutting measures while some other state agencies were refusing to show any flexibility. An interviewee calls this a "smart, strategic" approach that won points with the legislature.

We were told that legislators feel the federal funds have inflated the state bureaucracy unnecessarily. An interviewee in the department said, "The legislature would love to have a greater say in how the federal funds are spent." Still, our legislative interviews gave us the impression that there is not much interest in oversight.

While the political relationship of the SEA and other actors changed in the 1970s, this was because of the department's expansion in size and capacity under the administration of an activist and politically astute Commissioner. As a result, the department now has a more coherent approach in dealing with other state political actors. However, this alteration cannot be clearly attributed to the content or composition of federal programs.

Institutionalization of Services. The institutionalijation of services sponsored by federal programs for special needs students is not an issue in Massachusetts because most of those services were provided by state laws which predate federal programs. However, given the changing political climate in Massachusetts, federal programs may play a more important role than previously in the maintenance of those services.

To some extent, it appears that federal targeting provisions protect economically disadvantaged students from pressures to reduce resources. There is no state program corresponding to Title I. Although the extra weighting for poverty in the state aid formula targets extra money to poor cities and towns, there are no requirements that earmark the aid for poor schools or for any particular students. When the President's 1983 budget proposed large reductions in Title I, there was some talk about starting up a state Title I-like program, but most observers dismiss such proposals as extremely unlikely. The state money would not be forthcoming to replace the federal funding of over $60 million in Title I, especially since such a program would benefit only a few legislative districts.

Federal standards for services to handicapped and LEP students may be important in maintaining current service levels for these groups as well. Although historically Massachusetts was ahead of the federal government in legislating these service standards, department officials say that in recent years they have used the existence of the federal standards to deflect legislative efforts to weaken the state laws. If the federal standards were abolished, they say, the state laws would probably be vulnerable to amendments.

Effects on Policies and Programs

State policies have influenced the way federal programs are run in Massachusetts, and federal policies have had some effects on state programs. We discuss here the consequences of these intergovernmental influences for program administration.

The Influence of State Priorities on Federal Programs. State policy priorities drive the administration of federal programs in Massachusetts, but chiefly in the sense that the state's own priorities are very much geared to serving special needs students and providing special services. The state's service priorities are focused on students it considers mis-served or under-served. One high official in the state department of education put it this way: "The state's role in public education is a moral one, which means getting kids access to the services they need... The icing on the cake is what happens in the classroom once the kid is there." Thus, the state sees its role as one of providing students with access to appropriate services, especially when students have special needs. It does not, on the other hand, see itself as responsible for producing and delivering those services, a reflection perhaps of the state's emphasis on local control. In this sense, then, the state takes a role with respect to its districts that is like the current federal role in education. It is also important to bear in mind that Massachusetts had "federal" priorities and implemented programs to deal with them before the federal level did.

We were interested to note a general sentiment from district officials that they considered themselves better off dealing directly with federal program staff in the administration, structure, and operation of their federal programs than with state program staff. It appeared that local program people felt that federal programs were better and more competently construed than state ones and that dealing with federal program staff was often less difficult than dealing with state staff for federal programs. It was not clear whether this was caused by "familiarity breeding contempt" for state staff or by a more objective appraisal.

For Title I, the state does impose certain of its own elaborations on the program's design and operation. This usually takes the form of a rather strict interpretation of Title I guidelines by the state. Most of this interpretation is conveyed to LEAs by the regional offices who review the Title I plans. For example, people in one district we visited said they had wanted to try a program design variation in Title I, involving in-class instruction in a middle school, which they had read about in a nationally distributed Title I newsletter. The state would not allow them to try it, however, insisting rather that they stick with the more standardized form of reading and math pull-out lessons at the elementary level. A local administrator characterized the state department as "one of the tightest-run ships in the Title I program."

Another example of state elaboration of Title I operational requirements occurred in 1972 when the state board imposed strict requirements for the participation of parent advisory councils. These requirements are still in effect. Title I requirements are "strictly interpreted" by the state Title I office. One district Title I administrator indicated that he thought the state's response to Chapter 1 ECIA would be to become even more stringent in program operation requirements in order to protect the SEA (and the LEAs) against the possibility of audits under less clearly defined federal provisions.

The department expands federal paperwork requirements for local districts and imposes many in its own programs as well. One administrator stated that his part of the department does so, noting that this is in part because he feels there is a "lack of federal direction" in paperwork requirements and that the federal level "can't tell you what auditors are going to audit." He also noted that this was an important reason for sticking to standard operational practices in programs like Title I rather than trying out "poorly defined" alternatives. Another official noted the value of leaving "audit trails."

The state often imposes its own targeting and enforcement provisions on top of those appearing in federal programs. For example, Chapter 766 has targeting provisions that are more elaborate and cover a wider group of students than P.L. 94-142. Enforcement of these requirements and others is strictly maintained because of the implicit threat of legal action, according to one program administrator. (He did not specify whether he meant state or federally initiated legal action.) Vocational education more than meets the special targeting provisions although they are not enthusiastic about the Consumer and Homemaking set-aside requirements.

One interesting anecdote about enforcement was mentioned in several interviews. At one point, when the department had an indication that vocational education funds were being misspent, the department asked for a federal audit. When told by federal vocational education officials that this could not be done for at least a year, the department, on its own initiative, hired a private accounting firm to do the audit.

The Influence of Federal Program Signals on State Programs and Practices. There is no evidence that federal programs stimulated state initiatives for special needs populations in Massachusetts. When the state legislative initiatives were developed, the corresponding federal mandates did not exist. An interviewee who was a member of the state legislature at that time recalls that the federal government was of no help in the process.

However, in the current political and fiscal environment, the federal programs are important for maintaining state activities both legally and financially. One department administrator noted that "federal backsliding will cause other (state) legislatures to follow suit."

There is a general sentiment in Massachusetts that state program procedures are both more rigorous than federal ones (which in many cases they are) and also more appropriate. Two examples illustrate the origins of this sentiment. In the first, the state department took action against a district in a civil rights case concerning the vocational services provided to minority students. The regional OCR office had approved the district's program; however, the state department "told OCR to stay out of the way" and maintained control of the case. In the second example, state regulations called for counting and labeling special education students according to their program type; while the federal provisions required labeling by type of handicap. The Commissioner insisted on using Massachusetts procedures; he won his case, and state procedures continue to prevail.

In sum, many state policies and procedures predate and sometimes outdo federal ones. This is evident in the area of civil rights. For example, Chapter 622, which was passed before the federal Title IX, requires the provisions of equal educational opportunity regardless of race, color, sex, religion, or national origin.

In the area of desegregation, there has been considerable federal court activity. However, rather than having the effect of leaving the state department of education to play a secondary role, federal court activities appear to have provided a spur to the department to involve itself actively in desegregation efforts. The state takes an active adversarial position against districts which it feels are actual or even potential violators of the state law. In addition, the state has programs to aid desegregation efforts at the local level. Chapter 636, funded at approximately nine million dollars in 1980-81, is allocated to school districts for assistance in "equal education" efforts. (It is used similarly to ESAA.) It is supplemented by the slightly smaller METCO program which supports inter-district desegregation efforts. Although desegregation is politically unpopular among many in the state, the department has continued its desegregation activities.

The sex equity program has been given substantially less financial and active support by the department. Indeed, one local administrator stated that he felt that the department gave much too little attention to this area, especially since (he felt) desegregation was no longer as pressing an issue as it had once been.

Students of intergovernmental relations sometimes say that federal programs can influence state policy from the middle levels of state bureaucracy. They say that federally funded SEA staff can alter state policy or enjoy substantial autonomy by going directly to their federal counterparts. However, in Massachusetts this is very clearly discouraged by the department, whose general policy is to speak with "one voice" to the world in general. There is a strong norm of working within the department rather than of professional identification with federal counterparts. (The former Commissioner noted that he made a very conscious effort to keep federal programs under his control rather than letting them become independent "franchises.") In any case, especially with respect to federal program goals, there is little reason for state program administrators to look to the federal level for support because of the extent to which Massachusetts actively endorses many of these goals.

Nonetheless, there are circumstances in which state officials are encouraged to go to the federal level. For example, the former Commissioner suggested on various occasions that state program officers, such as the directors of vocational education and special education, lobby for certain program changes which Massachusetts supported. The Commissioner reserved his own participation for the most important occasions. In addition, federal program staff were encouraged to be active in inter-state professional organizations.

The Consequences of Federal and State Program Interactions. We looked for evidence of problems in administering multiple federal and state programs together: conflicting provisions; promotion of some programs at the expense of others; or the build-up of administrative burden. We also looked into state efforts to coordinate among programs.

There appears to be some, but not extensive, conflict between federal program provisions and state ones. (Examples already discussed include the manner of counting students in special education and the state standards on civil rights that exceed those of OCR.) The lack of major conflict is probably a function of the congruence between state and federal objectives. Moreover, what conflict exists does not seem in any way to affect program operation or practices at the local level. Several department officials noted a potential supplement/ supplant issue between Chapter 8 66 and P.L. 94-142; however, local staff were not even aware of its existence.

Some of the very limited evidence of conflict we found at the state level reflected differences with federal objectives unrelated to special needs students. For example, vocational education staff members complained that the Consumer and Homemaking set-aside was inappropriate and did not fit into the state's program.

While there was little conflict between related federal and state programs, we did find issues in the relationship between special and regular programs in Massachusetts. We found a very clear picture at both the state and local levels of special programs, state programs in particular, operating at the expense of regular programs and regular services. We were given two basic reasons for this. The first, and perhaps most profound, is the impact of the property tax limitation, Proposition 2-1/2, on local ability to pay for both mandated services and regular services. At a time of increased service mandates from the state (particularly in the area of special education), increasing costs, constant state aid, threat of costly legal actions, and decreasing non-state revenues, many districts are financially hard-pressed and are responding by cutting back on regular services. For example, one urban district with a relatively large special needs population has closed its school libraries. Interest groups, legislators and other government officials, and even members of the state department of education expressed strong opinions that special programs were being operated at the expense of regular ones. Most of these complaints were focused on special education. Indeed, one prominent state government staff member told us that the use of the word "special" was a serious "no-no."

The second reason was offered by a state legislator and echoed by others. He stated that there is "no lobby for the regular child." As noted earlier, special interest lobbies are influential in the state.

However, groups which might fall under the rubric of "regular," such as the state Parents-Teachers Association (PTA), have decreased in size and influence over the last decade.

At the same time, we saw little evidence of state and federal programs competing with one another. Rather, their common objectives often seemed to make them almost indistinguishable. If anything, it appeared that federal funds were used to support more ambitious state-sponsored endeavors. One state department staff member commented that a decade ago, when state programs were initiated, funding for education was expanding, and so there did not seem to be an issue of competition among programs. In the current period of contraction, another department administrator observed that the state is aware of the fiscal problems and is trying "to beat an orderly retreat."

In general, paperwork and "administrative burden" from federal programs appears to be a non-issue at the state level, even when state officials are asked directly about it. One state administrator told us that he felt the state was more of a culprit than the federal level. Several others said that the federal government helps pay for state functions. The former Commissioner referred to federal programs as being invaluable for "doing what we wanted to do." He also directly controlled the use of Title V funds. Thus, rather than facing a federally imposed burden, Massachusetts actively uses its federal funds to subsidize the operation (including paperwork and administration) of parallel special needs programs sponsored by the state. For example, there was some concern expressed about how Massachusetts would continue to operate its desegregation assistance program, Chapter 636, after cuts were made in ESAA and the funding program of the Civil Rights Act.

There was some evidence at the local level that while "paperwork" may not be a significant burden, neither was it a non-issue. Much of the paperwork burden placed on districts appears to come from state programs, Chapter 766 in particular. In addition, districts face a substantial amount of paperwork imposed by the state for certain activities, such as hiring consultants, related to both state and federal programs.

Although we asked about interprogram coordination, we found that interactions across federal programs at the state level are quite limited. Earlier we described the state department of education's operating style as one in which the six major departmental divisions have substantial autonomy. This carries over to the operation of federal programs as well, and the system is made more complex because all the federal programs except Title I have state counterparts. However, the context in which this system operates is important: the operation of special needs programs (federal and state) is central to the operation of the department because the state places priority on serving special needs students. As a result, state and federal efforts, such as those for serving handicapped students, are closely coordinated with one another but do not have substantial interaction with other department activities. For example, Title I, civil rights, and vocational education all operate within their own divisions and generally have little to do with one another in terms of either procedures or content. (At one time, some effort was made to coordinate Title I testing with the activities of the Bureau for Assessment and Evaluation; however, this effort resulted in "confusion" and was dropped.)

Under the former Commissioner's administration, all of these activities reported individually to his office. (In many cases, they reported directly to him.) His operating style, which was to delegate responsibility to his "lieutenants," certainly contributed to autonomy among department divisions and to his control of departmental operations. On occasion, he would make an active effort to coordinate across programs. For example, he made a special effort to coordinate vocational education activities for the handicapped in high schools. But in general, these cross-program coordination activities seemed limited to specific objectives or occasions. The extent to which the new Commissioner will continue this operating style is not clear, but he has indicated his interest in group decision-making.

Summary

State Context

- Massachusetts has long-standing traditions of providing public social services for its citizens, with strong local control in the provision of these services.
- Economic considerations such as the increase in oil prices, as well as national political trends, have contributed to the recent trend toward fiscal and social conservatism in this traditionally liberal state.
- A law popularly known as Proposition 2-1/2, passed two years ago, limits local property taxes to 2-1/2% of assessed valuation. This has resulted in some sharp reductions in local spending, but the long-term effects for the state are not clear.
- Proposition 2-1/2 has two major effects on education. First, the local property tax limit has had a strong, immediate impact on district spending in a system that relies heavily on local tax revenues to support education. Second, the law ended the "fiscal autonomy" of local school boards -- that is, their power to set district budget levels unilaterally.

Education Policy Within the State

- Since the early 1970s, Massachusetts has had a set of strong state laws providing for the education of special needs students (racial minorities, language minorities, girls, and the handicapped). The department of education has not hesitated to enforce these laws aggressively -- in contrast to its earlier, deferential behavior toward local districts.

- The great bulk of state aid to education is distributed by a formula that includes pupil weightings for the handicapped, students in vocational education, limited-English speaking students, and low-income students. The formula also includes a factor that increases the funding for districts with low equalized property wealth; however, a save-harmless guarantee weakens the equalizing effect of this provision.

- The upper echelons of the department of education include many professionals from fields other than education -- lawyers, analysts, politicians, etc. The six regional offices, which handle most of the day-to-day interactions with districts, contain specialists in education and civil rights. In general, the department's staffing reflects its commitment to monitoring compliance with the laws and its lower level of involvement in strictly curriculum matters.

- Education policy in Massachusetts is dominated by programs and mandates for special needs students. This reflects the continuing strength of public interest groups and the commitment of the State Board of Education, despite some backlash from the citizenry and legislators (especially on the issue of desegregation).

The SEA as an Organization

- Federal funds have made an important contribution to the department's capacity to monitor and enforce requirements. The department's commitment to these activities has stemmed from state-level policy, but much of the wherewithal has come from Washington.

- The department has vastly increased its authority over districts in the past 15 years, but local control remains an important concept in the state.

State Political Environment

- The interest groups that originally won the passage of the laws for special needs students are still a powerful force.

- The legislature, reflecting local resentment over costly mandated services and over desegregation in some cities, has shown some interest in weakening the state laws. Lobbying by interest groups has generally protected the laws, however.

State Management of Federal and State Programs

- There is an excellent fit between federal and state programs for special needs students. Thus the federal programs have been administered in conjunction with state policy priorities. Federal funding sources, notably Title IV of the Civil Rights Act, have underwritten the administration of state laws as well as federal ones.

- The state has developed many policies and procedures to pursue federal civil rights requirements (and the corresponding state requirements).
- The "regular program" has received relatively little attention from the state department of education, although the recent "basic skills policy" and the more recent arrival of a new Commissioner may change this.

MISSOURI STATE PROFILE

Richard J. Coley
Margaret E. Goertz

Introduction

Missouri is a socially, politically and fiscally conservative state. A now forgotten Congressman, William Vandiver, declared in 1889: "Frothy eloquence neither convinces nor satisfies me. I am from Missouri. You have to show me." Today the Random House dictionary even includes a definition of the phrase "from Missouri;" it means: "Unwilling to accept without proof, skeptical."[1] Although the state has two major metropolises within its borders, the state capitol and governor's mansion in Jefferson City have generally been controlled by rural and small-city legislators and by governors who fall somewhere between moderate and conservative on an ideological scale. As a result, Missouri has traditionally had a low-tax, low-service state government.

The Setting

Missouri has a diverse social and economic composition. Its two largest cities, St. Louis and Kansas City, have the usual litany of urban ills: declining tax bases, large minority populations (minority enrollments in the St. Louis and Kansas City public schools exceed 70%), and the higher costs of maintaining an aging infrastructure and of supporting an aging and impoverished population. A large gulf exists between these two metropolitan areas and the rest of Missouri that is characterized by small cities and rural areas.

Missouri's economic base is supported primarily by manufacturing, agriculture and tourism. Manufacturing is dominated by the aerospace and automobile industry; growth in transportation employment has offset losses in such industries as shoe manufacturing, food processing (such as beer) and apparel manufacturing. Agriculture is the state's second largest income producer and close to three-quarters of Missouri's land area is farms.

Missouri is currently governed by a Republican, second-term Governor, Kit Bond, and a Democratically-controlled legislature. Bond has taken a strong anti-tax increase stance, preferring to "tighten the State's belt" and collect unpaid taxes due the inefficient Department of Revenue. The Governor's stand will run into little opposition on either side of the aisle in the General Assembly. The Senate, historically much more conservative than the conservative House of Representatives, can be counted on to stop any taxes that (a) would hurt business, (b) would hurt banks or farmers or (c) would be used to create new programs and services.

Most political battles in Jefferson City are fought along rural/urban lines. The recent dispute over the distribution of new state education revenues is an example. The House favored the inclusion of two factors in the formula that would direct more aid to the cities and their suburbs: a cost-of-education index and an adjustment for declining enrollment. The rurally-dominated Senate, however, was strongly opposed to these changes. This deadlock almost doomed chances for an increase in the cigarette tax which was earmarked for education; a similar "standoff" killed a proposed half-cent sales tax for education last year.

---

[1] Peirce, Neal R. The Great Plains States of America, New York: W.W. Norton & Co., 1973, p. 34.

The social and political conservatism of Missouri is reflected in its fiscal policies. Among the 50 states, Missouri ranks 46th in state tax effort, 47th in per capita state expenditures for education and 50th in per capita state expenditures on all functions.[1] In November 1980, the state's electorate approved the Hancock Amendment which locks in this conservative fiscal policy. This tax limitation initiative amended the state constitution to restrict the amount of taxes (general and special revenues, licenses and fees) which the state may receive to the current level, increased annually by the percentage increase of personal income in Missouri plus one percent. In addition, the state cannot reduce its current share of funding for local activities nor mandate any new programs without full state funding.

The Hancock Amendment has not been triggered yet since the Missouri economy has been severely affected by the recession and state tax revenues for fiscal year 1982 ran several million dollars behind projected revenues. Facing the double whammy of federal cutbacks and a stagnant economy, state legislators passed a fiscal year 1983 budget which increased state expenditures by a mere 2.5%. Few new programs were funded and state employees received only token pay raises. Proposals by the House Speaker to increase a variety of tax rates to bail out the state from its fiscal problems and to make the state tax system more equitable failed due to opposition from the Governor and the Senate President. Only two tax increases were passed: a four-cents increase in the state cigarette tax dedicated to education, and a four-cents increase in the state gasoline tax. The Hancock Amendment required that this latter increase be placed on the ballot, and it was defeated by the Missouri voters. Public education and highways, considered two critically needy areas which consumed much of the last two years' legislative debate, received little relief.

Major Themes that Shape Education Policy

Four themes appear to shape education policy in Missouri: local control, limited support for programs for economically disadvantaged students, an influential but conservative Commissioner of Education, and money.

Local control. Missouri is a strong local control state. It has a large number (547) of relatively small school districts. In 1980-81 districts ranged in size from 30 to 75,000 students: 24% enrolled fewer than 250 students and only 14 had more than 10,000 students. St. Louis and Kansas City are outliers with 75,000 and 41,000 students, respectively. Enrollments have been declining in Missouri statewide at a rate of about three percent a year, down from 850,000 average daily attendance (ADA) in 1976-77 to 754,000 ADA in 1980-81.

---

[1] National Education Association. Rankings of the States, Washington, D.C.: NEA, 1981.

The State Department of Elementary and Secondary Education -- DESE (hereafter referred to as the state education agency -- SEA) "goes out of its way to maintain local autonomy" in this system. The SEA limits its own mandates on local districts, preferring to go the route of "friendly persuasion." As one respondent noted, "We don't mandate, but try to encourage and influence LEAs."

Limited Support for Educationally Disadvantaged Students. About 10% of the state's students come from families receiving Aid to Families with Dependent Children (AFDC). These students are concentrated in the state's two largest cities, however, with over 25% of Kansas City's students classified as poor. The same patterns can be seen with regard to minority enrollments. Black students constitute 14% of the statewide public school population, but nearly one-half of the state's minority students attend the inner-city schools of St. Louis and Kansas City.

Thus, the problems of economically and educationally disadvantaged students are viewed as the problems of St. Louis and Kansas City. The low level of legislative support for these problems is evident in the lack of any major statewide compensatory education, bilingual education or desegregation program. The ongoing desegregation litigation in St. Louis has aggravated this situation. The federal court recently ordered Missouri to pay one-half the cost of intra-city integration programs in St. Louis with the check to be drawn directly from the state treasury. Several members of the legislature responded to this action by introducing anti-busing amendments to school aid legislation in the 1982 session.

Commissioner of Education. The Commissioner of Education, Arthur Mallory, is viewed both inside and outside the SEA as one of the most influential actors in Missouri education politics. He was characterized as being low-key, conservative, and a superb politician. His consensus-building orientation reflects the low-pressure political style of the state and has kept his department from becoming involved in controversial issues that would upset rural educators and legislators.

Money. As noted earlier, Missouri is in the midst of a fiscal crisis. State support of elementary and secondary education is stagnant, and most local school districts are in financial trouble as well. The state is therefore unable to consider replacing lost federal funds in any social service categories, including education, and local districts are hard-pressed to meet federal matching and maintenance of effort requirements. Average teacher salaries are low in Missouri, with a rank of 37th nationally, and the current expenditure per pupil (ADA) of $2101 in 1980-81 is 32nd in the nation. These facts have become the focus of efforts by education interest groups and, most recently, the State Board of Education to generate more state tax revenues in support of the Foundation Aid program.

Education Policy in Missouri

How the Schools are Financed

In 1980-81, Missouri's school districts derived 10.1 % of their support from the federal government, 36.9% from state funds, and the remaining 53.0% from local revenues. The local share has decreased by five percentage points since the mid-1970s, in part the result of a reform formula which was implemented in 1977-78 and in part due to growth in federal aid.

Nearly three-quarters of Missouri's education aid is allocated through a Basic Grant Program. (See Table 1) The Basic Grant Program consists of two formulas: the Minimum Guarantee Program and the Guaranteed Tax Base Add-on Program. At least 75% of the Basic Grant Program must be spent for teachers' salaries.

The Foundation level is set at 75% of the state average current expenditure per pupil for the second preceding year. Pupils are given an additional 0.25 weighting if they are orphans or live in families receiving Aid to Families with Dependent Children (AFDC). The required tax rate, 57% of the state pupil-weighted levy for the second preceding year, is applied to equalized property valuation. This adjusted tax rate is adjusted further by each district's income factor. Thus, a district with below average income will have a lower adjusted tax rate than a district with average or above average income.

The Guaranteed Tax Base Add-on Program (GTB) applies to all districts which levy adjusted school tax rates above the required rate (pupil-weighted levy), and that have a property valuation per pupil at or above the 88th percentile wealth. This finance formula has never been fully-funded, however.

Exceptional Pupil Aid (special education) represents 8.6% of total state aid. These funds are allocated on the basis of approved special education classroom units, ranging from $7,425 to $9,900. The reimbursement rate is adjusted annually to reflect changes in the legislative appropriation. This aid must be spent on staff salaries. The appropriation process lumps Basic Grant, special education and transportation aid together. Special education and transportation aid are taken "off the top" of each year's allocation; the remaining Basic Grant funds are then apportioned.

Table 2 shows the allocations for these three programs over the last seven years. Three trends emerge. First, while total appropriations grew at a rate of 12% a year between 1976-77 and 1980-81, in the last two years, the fiscal crisis has limited this growth to 3.5% a year. Second, transportation funding has been drawing off money from other programs

Table 1

State School Aid for Selected Programs, 1980-81

Program	Dollar Amount	Percent of Total
Basic Support Programs	$ 551,032,168[a]	74.7%
Pupil Targeted Instructional Programs		
Special Education	64,677,777[b]	8.8
Vocational Education	20,386,550	2.8
Compensatory Education	(8,184,573)[b]	(1.1)
Bilingual/Bicultural Education	—	—
Adult Education	—	—
Pupil Support Services		
Transportation	65,181,910	8.8
Textbooks, Materials, etc.	30,319,207	4.1
Food Service	5,188,747	0.7
Staff	—	—
Employee Benefits		
Adjustment for District Characteristics		
Poverty Incidence	—[a]	—
Sparcity-Small Schools	—	—
Capital Grants	1,077,611	0.1
Total	737,863,970	100.0

[a] Count of pupils in Basic Support Program includes add-on weight of 0.25 for each AFDC pupil and orphan enrolled in the school district. Funds generated by this weighting are not earmarked for compensatory education programs.

[b] Remedial reading aid is included in the special education appropriation.

Source: Categories are drawn from Tron, Esther O. (ed.). Public School Finance Programs, 1978-79, Washington, D.C.: U.S. Government Printing Office, 1980. Data were supplied by John W. Alberty, Director, School Finance, Missouri State Department of Elementary and Secondary Education.

over the last six years, with its share of the Foundation program appropriation growing from 6.6 to 10.5%. Special education's share of the fund has grown slightly from 8.4 to 10%. Third, as a result, the Basic Grant Program currently garners 80% of the Foundation Program down from 85% in the mid-1970s. Coupled with the slowed increase in total appropriations, growth in Basic Grant funds has been miniscule.

Table 2

Appropriations for Foundation Program
(in millions) and Percent of Total

Year	Total Approp.	Special Education	Transportation Aid	Basic Grant
1976-77	$ 428.8	36.2 (8.4%)	28.4 (6.6%)	364.2 (85.0%)
1977-78	480.8	42.0 (8.7%)	41.1 (8.5%)	397.7 (82.7%)
1978-79	526.8	50.2 (9.5%)	46.1 (8.8%)	430.5 (81.7%)
1979-80	593.6	57.2 (9.6%)	53.7 (9.0%)	482.7 (81.3%)
1980-81	683.6	66.6 (9.7%)	66.0 (9.7%)	551.0 (80.6%)
1981-82	707.6	70.2 (9.9%)	74.5 (10.5%)	562.9 (79.6%)
1982-83	733.7[a]			

[a] Governor reduced aid to school districts by $34.1 million.

Source: Data were supplied by John W. Alberty, Director, School Finance, Missouri State Department of Elementary and Secondary Education.

Major Programs for Special Needs Students

The major state education programs for special needs students are special education and vocational education. The state has a small remedial reading program and no bilingual education or desegregation programs. The primary programs which target resources on economically disadvantaged students are federally funded ones: Title I, vocational education set-asides and the Emergency School Aid Act (ESAA). No local districts currently receive Title VII funds. The state also receives federal funding for special education, vocational education, and Titles IV and V. Table 3 shows the relative levels of state and federal funding for these programs for 1980-81.

Table 3

State and Federal Funding for Special Needs Programs

	State	Federal
Compensatory Education	$ 8,184,000	$ 54,200,000
Special Education	58,679,000	21,634,600
Vocational Education	20,386,500	17,507,000
Titles IV and V	---	7,600,000

Sources: State data were supplied by John W. Alberty, Director, School Finance, Missouri State Department of Elementary and Secondary Education; federal data were supplied by U.S. Department of Education and by state program administrators of the Missouri State Department of Elementary and Secondary Education.

The Missouri Constitution prohibits the allocation of public aid for religious purposes or to religious institutions. The state is one of two in the country that have "by-pass" arrangements for providing federally funded services to non-public schools.[1]

Compensatory Education. The Title I program and the state remedial aid program are administered by the Division of Instruction. Title I staff consist of 11 professionals and six secretaries, all totally supported by federal funds. Title I funds are the primary source of support for compensatory education in Missouri. In 1980-81, 380 school districts received $55.2 million to provide compensatory services to 95,487 children. Title I funds also supported nine state-operated schools for neglected or delinquent children, 36 school districts which serve migrant children, and 78 educational facilities under the supervision of two state agencies providing services for handicapped children.

---

[1] Federal law requires states and LEAs to extend the benefits of federal programs to non-public schools. Where state law prohibits state involvement in non-public schools, by-pass provisions in federal law allow the federal government to contract for services to non-public schools without state or LEA involvement. The SEA does not have a by-pass arrangement for federal special education funds, however, and LEAs are required to extend the benefits of P.L. 94-142 to non-public school students.

Missouri's small remedial reading program is funded as a part of the special education aid. Districts are reimbursed $5,776 for the support of teacher salaries for each approved remedial reading class. In 1981 this program provided about $8 million to serve 69,342 children with reading deficiencies. The program has two parts. One follows the Title I program and pays for part of the salaries of Title I teachers, freeing up Title I funds for other purposes. The other part funds teachers to provide remedial reading to non-Title I eligibles who are deficient in reading. The program dates back to around 1968 and evolved from a program developed by the superintendent of an urban school district. It has been part of the special education portion of the state's Foundation Plan since 1974.

Missouri's state aid formula also provides an additional weight of .25 for each AFDC and orphan child. In 1979-80 this weight generated $22.2 million in operating aid on behalf of about 75,000 children. This aid is not earmarked for any specific program, however, and was adopted to provide aid to urban school districts.

Bilingual Education. Missouri does not have any state bilingual education programs and neither the SEA nor any LEAs currently receive Title VII funds.

Civil Rights. Missouri does not have state laws prohibiting discrimination in the provision of educational services based on race or sex.[1] A number of school districts are currently under OCR or federal court-ordered decrees to desegregate. The latest court action involved St. Louis where the federal court ordered the St. Louis Public Schools to implement desegregation measures within the city and the state to pay one-half of these implementation costs (around $11 million the first year). In addition, the State Board of Education, SEA and other defendants must develop plans for voluntary, cooperative desegregation measures that include the St. Louis School District and 39 LEAs in three surrounding counties.

A small Technical Assistance unit in the Division of Urban and Teacher Education, which was created in late 1973 in response to court suits in Kansas City, St. Louis and Kinlock, holds workshops, follows up on each OCR complaint with offers of technical assistance, and conducts statewide needs assessments. This unit is funded totally under Title IV of the Civil Rights Act.

---

[1] The Missouri State Constitution prohibits racial discrimination in the use of state aid for teacher salaries.

Special Education. Most of Missouri's special education law predates P.L. 94-142. In 1969 the State Board of Education established state schools for trainable mentally retarded persons. During the next several years Missouri began to develop new special education legislation, examining federal models and adapting them to Missouri's philosophies, practices, and laws. HB 474 was passed in 1973, mandating services for handicapped children for the first time in Missouri and replacing permissive language in state statutes that had led to large variations in the scope and quality of programs.

While consistent with the spirit of P.L. 94-142, HB 474 is not as prescriptive as federal law. It does not address the issues of personnel development, related services, monitoring, program audits, accountability, and parental involvement in the early stages of the screening process. Also, although Missouri law requires the development of an individualized education program (IEP), the product is not as elaborate as its federal counterpart. Due process requirements were included in Missouri's legislation and later amended to match more closely federal requirements. State law stipulates class sizes, which vary by category of handicap.

The Division of Special Education is responsible for the administration of both state and federal special education funds for Missouri public schools. Staff consists of an assistant commissioner, a director, an assistant director, 12 consultants, two program specialists, and several secretaries. Federal support of their salaries is about 75-80%, with the consultants and program specialists totally supported by federal funds. The SEA monitors for compliance with state and federal law and provides technical assistance to local school districts. Local districts are required to develop their own three-year compliance plan, addressing each of the federal assurances, and subject to review at public hearings before the local board of education and finally by the SEA. These plans must be updated annually.

Table 4 shows funding levels for handicapped children from state and federal sources since 1970. The state's financial commitment to special education was large before the passage of P.L. 94-142 and HB 474, but has increased considerably since 1974. In 1981 the federal funds represented seven percent of total special education funding, state aid was 50%, and the local share was 43%.

Table 4

Sources of Funding for
Handicapped Children

Year	State Reimbursement	Federal (Part B) Funding
1970	$ 9,267,154	$ 641,800
1971	9,798,002	721,700
1972	13,941,555	803,303
1973	16,164,873	789,238
1974	18,418,958	1,016,772
1975	28,121,392	2,145,536
1976	33,146,176	2,148,964
1977	35,720,188	4,267,874
1978	42,097,156	6,770,520
1979	50,322,491	13,544,797
1980	57,084,007	20,561,284
1981	64,677,777	21,077,304

Source: Missouri Department of Elementary and Secondary Education. "Selected Education Statistics for Missouri, Fall 1981." Jefferson City, MO: DESE, 1981.

State aid for special education is part of Missouri's Foundation Plan. Since this aid must be spent on staff salaries (teachers, teacher aides, and ancillary staff), federal funds may be used to purchase instructional and therapy equipment; to purchase related services; to support the balance of teacher and ancillary staff salaries after state aid is applied; to fund additional special education administrators for better management of services to the handicapped; and in some cases, to allow for minor modifications of classrooms to accommodate the handicapped. These monies may also provide in-service training for special education teachers and financial assistance to special education teachers working toward full certification. The SEA keeps 10% of the federal allocation to fund LEA discretionary programs for the deaf/blind, the severely handicapped, the preschool handicapped, and special education personnel development needs which are state priorities.

Vocational Education. Missouri serves 273,000 students through secondary, postsecondary, adult, and special needs vocational education programs, services and activities. The number of students receiving vocational education services in Missouri grew rapidly in the 1970s, but the growth lines have flattened.

In 1981-82, 14.6% of vocational education revenues came from the federal government, 21.9% from the state, and the remainder from local governments. These percentages represent a recent decline in the federal and state government's share of vocational education funding.

In 1976-77, the federal government share was 18%, and the state share was 23.5%. The SEA received a $2.7 million (or 18%) cut in federal aid in the last year, and has suffered reductions in state vocational education aid of nearly $2 million between 1979-80 and 1981-82.[1] Total spending on vocational education in Missouri has remained constant at around $100 million during the last three years, with local school districts taking on a larger share of the costs.[2]

The state has an extensive system of Area Vocational Centers (AVCs). Prior to the 1963 Vocational Education Act (VEA), the state had six vocational education centers in the cities. Funds from the 1963 legislation enabled the state to expand this system to 58 centers. Most are in public elementary and secondary school districts and serve secondary, postsecondary, and special needs adult populations scattered throughout the state. Most of the state funds flow directly to "host" centers, but the state supplies incentive funds to feeder districts as an offset against the AVC's tuition charges. Districts are not required to contract with the host district for services.

Federal set-aside monies for vocational disadvantaged and handicapped programs are administered by the Section of Vocational Special Needs Programs. In FY 1982 officials projected that federal/non-federal spending would equal nearly $8 million, or eight percent of total vocational education expenditures. The Department's emphasis is placed on mainstreaming special needs students in regular vocational programs, using such strategies as vocational resource educators, aides, vocational evaluation, remediation and counseling.

State and Local Improvement and Capacity-Building Programs

Titles IV-B and IV-C. Titles IV-B and IV-C are administered by the Office of Learning Resources and Exemplary Programs. The staff of ten is totally federally funded. Ninety-five percent of the state's IV-B entitlement ($3.3 million in FY 1982) is distributed to 501 LEAs and 13 state schools through a formula based on enrollment (84%), high tax effort (7%), and high cost factors, concentration of AFDC students, and small size (9%). No state priorities are imposed on the use of these funds; the program has funded a variety of activities including computers (50 districts), video equipment, improving career awareness and working with sex-stereotyping problems, instructional television, and books.

Title IV-C funds have been used for three types of projects: three-year demonstration projects, one-year adoption projects with a $6,000 funding lid, and one-year staff development projects. The latter grant program has specified state priority areas: implementing an instructional management system in one of the basic skills areas, training instructional staff in the administration and utilization of external tests, in-service training for serving the needs of mainstreamed handicapped and gifted children, and improving instructional methods in elementary science. The $1.3 million funding for FY 1982 supports 100 projects.

---

[1] Appropriations for the 1982-83 school year will reinstate these lost funds.

[2] Missouri State Board of Education. 1979-80 Report of the Public Schools, Table 38, p. 46; Missouri State Board of Education. 1980-81 Report of the Public Schools, Table 38, p. 48.

Chapter 2. Missouri and its local school districts have been receiving around $20 million under the programs included in the Chapter 2 block grant. It is projected that this allocation will be reduced to $8.8 million.

The components of the Chapter 2 formula parallel those of the Title IV-B distribution: enrollment, with additional weightings for districts with concentrations of AFDC children and for small, rural schools. The 23-person Advisory Council approved granting the SEA its full 20% share, although representatives from some school districts and education interest groups argued that due to the financial crisis local districts should receive more than 80% of the block grant funds. Most districts will receive more funds under the new formula, while those that received ESAA grants will be cut back severely. Kansas City's aid, for example, will be reduced from $3.7 million ($3.2 million in ESAA funds) to $400,000. Yet they are committed to spend $1 million a year to support their desegregation plan. St. Louis' funding will drop from $9.4 million to $700,000; that district's ESAA grant had exceeded $5 million.

The Title IV staff will administer the block grant, but will experience a 50% reduction in staff. They view their role as reviewing applications from districts, making periodic visits to schools and reviewing audit reports on block grant funds. Staff felt that many local jurisdictions will spend funds in similar fashion to Title IV-B since this is the only program in the block grant that most districts used. The Department's stated intent is to minimize paperwork on block grant funds as much as possible while giving increased flexibility to local school districts. It is possible, however, that local districts will be encouraged to use block grant dollars for some of the SEA's priority areas, such as staff development and instructional management materials.

Title V. Missouri received about $1.1 million in Title V funds in 1981-82. These monies have been used to develop state department capacities in the areas of management information systems, financial program management and reporting, and data processing; to provide technical assistance to local districts in financial management, curriculum development, and school management practices; and to support some state services, such as the statewide testing program, and SEA accounting and personnel activities. The state's four-year plan for FY 1980-FY 1983 shows about 35% of the Title V funds earmarked for technical assistance to school districts, 22% for data processing, and the remainder for other SEA activities. Some Title V funds were used by the Department as seed money for new projects, such as nutrition readers.

The State Education Agency as an Organization

The Missouri State Department of Elementary and Secondary Education has six major divisions that are structured along federal program lines: Administration, Instruction, Special Education, Career and Adult Education, Urban and Teacher Education, and Vocational Rehabilitation. Figure 1 shows the organization of the SEA that pertains to the administration of state and federal special needs programs. Table 5 shows the number of full-time equivalent employees in each of these divisions and the size and source of their funds.

The Division of Administration consists of the school finance, school management, data processing, school food and building services, school data sections and departmental budgeting, personnel and accounting sections. The Assistant Commissioner has the responsibility for implementing Title V programs. The Division of Instruction provides consultative services to administrators and teachers in the areas of instruction and curriculum development. Staff in the Division administer federal programs under Titles I and IV of ESEA; classify and accredit public school districts; and assist school districts in expanding or improving their curriculum and instructional programs.

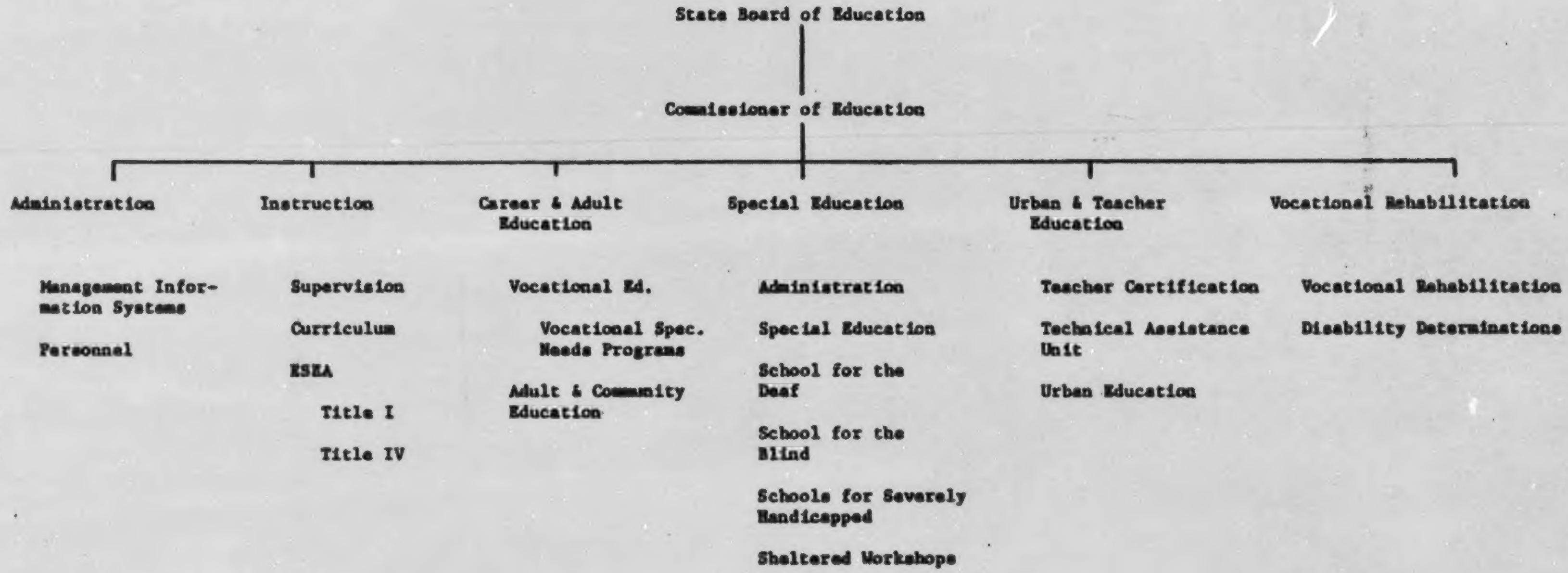
The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The Division also administers the programs and the budgets appropriated for the 63 state schools for severely handicapped persons, the School for the Deaf, and the School for the Blind. Staff in the Division monitor local school district programs and other state agencies providing direct services to handicapped school-age children for compliance with state and federal laws, provide technical assistance, and distribute state funds to the extended employment sheltered workshops.

The Division of Career and Adult Education administers programs in vocational education and adult education. The staff is responsible for developing the state plans for vocational and adult basic education that form the basis for distributing federal and state funds to LEAs; reviewing and approving vocational education programs operated by local schools; administering the Adult Basic Education program; and providing skill training programs for unemployed or underemployed adults.

The Division of Urban and Teacher Education contains the Teacher Certification, Technical Assistance and Urban Education sections. The Division issues teaching certificates, works with districts involved in desegregation and conducts annual workshops on crime, violence and vandalism prevention in public schools and provides management and staff development for urban educators.

The Division of Vocational Rehabilitation provides services to disabled persons to help them overcome handicaps to employment. Counseling, training, and medical services are provided based on the specific needs of each client.

Figure 1


State Board of Education
Commissioner of Education
Administration
Instruction
Career & Adult Education
Special Education
Urban & Teacher Education
Vocational Rehabilitation
Management Information Systems
Personnel
Supervision
Curriculum
ESEA
Title I
Title IV
Vocational Ed.
Vocational Spec. Needs Programs
Adult & Community Education
Administration
Special Education
School for the Deaf
School for the Blind
Schools for Severely Handicapped
Sheltered Workshops
Teacher Certification
Technical Assistance Unit
Urban Education
Vocational Rehabilitation
Disability Determinations

Source: Missouri Department of Elementary and Secondary Education. Organization Chart, Revised July, 1981.

Table 5

State Expenditures for Education, by Category and Source (in thousands of dollars)

General Administration	Number of FTE Employees	State Funds	Federal Funds	Total
Personnel	102	916	854	1,770
Operations		243	320	563
Grants				
Foundation Program		683,617	---	683,617
School Food Services		5,114	62,908	68,097
Other		211	160	371
Miscellaneous		4,000	---	4,000
Instruction				
Personnel	62	274	1,008	1,282
Operations		77	347	424
Grants				
Compensatory Education		---	55,230	55,230
Learning Resources		---	7,499	7,499
Instructional TV		90	---	90
Urban and Teacher Education	16	206	119	425
Career and Adult Education				
Personnel	106	590	1,341	1,931
Operations		163	465	628
Grants				
Vocational Education to Schools		20,387	23,690	44,077
Area Vocational Schools (Construction)		1,078	---	1,078
CETA		---	12,000	12,000
Other		1,285	2,680	3,965
Special Education				
Personnel	23	72	355	427
Operations		17	147	164
Grants			33,000	33,000[a]
Special Education		---[a]		
Vocational Rehabilitation				
Personnel and Operations	546	---	11,371	11,371
Grants		4,959	22,461	27,420
Special Schools for Handicapped	1,059	23,963	2,354	26,317
TOTAL	1,914	747,267	238,309	985,576

[a] $64 million in state aid for special education is distributed through the Foundation Program.

Source: State of Missouri. Executive Budget, Fiscal Year 1982, Jefferson City, MO: Executive Office, January 1981.

Federal programs have had a major impact on the size of the Missouri SEA. The number and type of personnel and resources grew rapidly between 1964 and 1970 due largely to the implementation of the Vocational Education Act of 1963 and the Elementary and Secondary Education Act of 1965. One respondent noted that by 1972 two-thirds of SEA staff were paid with federal funds, including nearly all of those employed in the vocational education office.

The Department has made a concerted effort to reduce its dependence on federal funds over the last ten years, and recent figures show that only 50% of the total SEA staff (including those employed at state schools for handicapped clients in vocational rehabilitation programs) are funded by federal programs. Budget figures for 1980-81 showed the following level of federal support for personnel by division: Administration, 45%; Instruction, 75%; Special Education Administration, 80%; Vocational and Adult Education, 68%; Urban and Teacher Education, 30%; and Vocational Rehabilitation, 100%.

SEA Functions and Capacity

The role of the SEA has expanded and changed since the mid-1960s. Fifteen years ago the primary function of the Department was service to local school districts. With the rapid growth in federal programs and the changing needs of Missouri students and school districts, the SEA has undertaken compliance monitoring, extended its technical assistance activities beyond curricular areas, and increased its internal capacities in the areas of data processing, management information systems (MIS), and program evaluation. A review of the State Board of Education's priorities over the last several years underscores the expanded interests of the Department: basic skills, accountability (minimum competency testing and local district management programs), teacher preparation, early childhood and gifted education, equal access and vocational education.

Federal funds have supported many of these new activities. A number of Department staff stated that Title V funds had increased the SEA's capacities in the areas of data processing, MIS, and planning, research and evaluation. The Department does not have a separate division of research, planning and evaluation. Each federal program unit evaluates its own programs, while most of the data collection and reporting activities are housed in the Divisions of Administration and Instruction. Planning activities are tied to an annual goal setting process that results in the establishment of the State Board of Education's priorities. Federal Title V dollars have also been used to provide technical assistance in non-federal program areas by funding consultants who work with local school districts in developing financial management systems and stronger curriculum.

The SEA is staffed by education professionals, many of whom come to Jefferson City from positions in small city, suburban or rural Missouri school districts. Some staff move on to positions in metropolitan school districts which generally pay higher administrative salaries. For example, the former Director of Special Education is now superintendent of the St. Louis County Special Services District, and several administrators in Title I and vocational education programs in one of the state's largest cities had spent some years working in Jefferson City.

Intergovernmental Relationships

The state imposes few requirements of its own on local school districts. While the state requires that all eighth-grade students take a statewide basic skills test, BEST, it is the districts that determine whether this test is used as a graduation requirement. The Department has had classification standards for school districts since 1950, but these are voluntary standards that describe the range of programs and services which should be available to students in the public schools. The Department's approach to working with local districts is to develop model curriculum and management programs and then "sell" them to local districts rather than mandate their implementation.

While the SEA's primary orientation with regard to state programs remains service and programmatic technical assistance, its orientation with regard to federal programs is monitoring and procedural technical assistance. The major concern of federal program staff is to protect the SEA and local districts from federal audits by insuring that procedural processes are in order. Technical assistance is designed to assist local districts in interpreting and meeting federal regulations. Programmatic assistance appears to be limited to the newer federal programs, such as vocational education set-asides and special education.

SEA Mission and Management

The State Board of Education's priorities and the administrative style of the SEA reflect the political culture of Missouri and educational issues identified by the legislature (e.g., basic skills and competency testing), by statewide study commissions (school finance, vocational education) and/or by external mandates (equal access, VEDS revisions, etc.). The Commissioner's personal interests are reflected in curriculum areas (citizen education, elementary math and science programs, elementary reading programs) which have been the traditional province of the Department. The next section describes the political environment within which the state education establishment operates.

The Political Environment of Education Policymaking

Until the early 1970s, the politics of public education in Missouri revolved around one group -- the Missouri State Teachers Association (MSTA). MSTA, which included administrators as well as teachers, defined Missouri's school needs and presented them to the state legislature while the SEA played a relatively minor role. The MSTA's proposals were adjusted to meet the state's political tradition: that each group seeks a narrowly defined program calling for marginal adjustments in policy with as little fuss as possible. No educational issues emerged that challenged the predominant values or vested interests within the state's political system.[1]

---

[1] Masters, Nicholas A. et al. State Politics and the Public Schools, New York: Alfred A. Knoph, Inc., 1964.

The MSTA's monopoly began to break up in 1972 when it lost its National Education Association (NEA) affiliation. A new NEA affiliate, the Missouri National Education Association (MNEA) was formed, and the two compete actively with each other, and with a small American Federation of Teachers (AFT) affiliate, for members. The organizational rivalry which followed the split damaged the MSTA's reputation as representing the consensus of the state's education community on issues. The resulting vacuum has been filled by Commissioner Mallory, who came to the job just at the time of the breakup of the education monopoly.

The Legislature

The legislature does not get substantively involved with federal education programs. Although the legislature must reappropriate federal aid, it complies with the recommendations of the SEA. As federal aid in non-education areas has been consolidated into block grants, the legislature has started to reconsider its role in monitoring federal programs. For example, the Chairman of the House Fiscal Affairs Committee is forming an oversight committee to look at federal block grant legislation in general, and legislation has been introduced that would create a community services block grant fund allocation formula and administrative structure for the disposition of federal community services block grant monies.

In the last five years the legislature's involvement in education policy has focused on school finance. A significant school finance reform bill was passed in 1977, and the legislature has been concerned during the last two sessions with bills that would increase state sales and cigarette taxes in support of education. Leadership on these issues comes from the House -- principally the Chairman of the House Education Committee. The legislators have no staff assigned specifically to education issues and rely heavily on the SEA for information. The Department has fostered this reliance by making a conscientious effort over the last 12 years to develop an open, working relationship with the legislature. The SEA has apparently replaced the MSTA as the principal source of legislative information.

Interest Groups

Education interest groups are viewed as moderately influential in education politics in Missouri. The MNEA is becoming more influential as its membership grows: its greatest influence is in the suburbs while the MSTA derives power from rural superintendents and the AFT from the cities. Special education interests are represented by the traditional groups -- Missouri Association for Retarded Citizens (MARC), Missouri Association for Communication and Learning Disabilities (MACLD), etc. -- and by about 25 parents' groups, including those representing state schools. These groups appear to be fragmented, however. Vocational education interests use the Missouri Vocational Education Association, a parents' association with a full-time director, as one vehicle for lobbying the legislature.

State Board of Education/SEA

The Missouri State Board of Education is composed of eight lay members appointed by the Governor with the consent of the Senate. They serve for eight-year terms, and no more than four may be of the same political party. The Commissioner of Education is appointed by the State Board of Education and serves at the pleasure of the Board. Missouri has had only two commissioners since 1947: Commissioner Wheeler who served from 1947 to 1972 and Commissioner Mallory who has been in this position since 1972.

The SEA does not directly develop an annual legislative package. Rather it pushes the annual priorities set by the State Board of Education, a relatively conservative body that looks to the Commissioner for leadership. The Board has tended to rely on statewide commissions to study critical and controversial problems, such as school finance, special education and vocational education, and to develop a consensus on proposed legislative remedies.

Local Autonomy

Missouri has a strong tradition of local control. As noted earlier, the state imposes few mandates on local school districts. Although the Department has become more assertive in helping school districts identify educational problems and working with them to solve these problems, their management style remains one of "friendly persuasion."

State Priorities and Institutionalization of Service to Target Populations

Missouri's tradition of political and social conservatism has resulted in limited support for "social" programs such as civil rights, education of the economically disadvantaged, and bilingual education outside of the state's largest cities and the state education department. The only visible support for Title I programs is among state and local Title I staff and some Parent Advisory Councils. While the impact of federal cuts in the Title I program will be cushioned in the short run by the rolling over of 1981-82 funds, by 1983-84 it is projected that services to compensatory education students will have to be cut.

State program managers felt that some waste can be eliminated by increasing class sizes, doing without new materials every year, and cutting out some teacher aides. Local district staff felt that cuts would force them to be more efficient and to apply innovation to instructional programs. All agreed, however, that fewer disadvantaged children would be remediated. Most also felt that without the influence of Title I, compensatory education would wither away in Missouri. In response to the question: Will Missouri make up for cuts in Title I aid?" the answer was uniformly "No." One respondent summarized the lack of support in Missouri for this program with the statement: "There have never been initiatives in this area before. Why should we believe there will be in the future?"

A similar story can be told concerning civil rights. Court-ordered desegregation in St. Louis has angered the legislature and there is little interest in replacing the millions of dollars of ESAA funds lost by the Kansas City and St. Louis school districts. Although an urban factor was included in the formula for distributing Chapter 2 funds to local school districts, no attempt was made to target additional funds to those districts bearing the costs of desegregation.

There is strong statewide support, however, for special education among interest groups and the legislature. State aid for special education is "protected" to some extent from the competition for state aid funds within education as its funding comes "off the top" of the annual state education aid appropriation. Aid can grow only at the same rate as the Foundation Aid Program, however, and in recent years this has meant less than a four percent increase annually. Another example of the support for special education is reflected in the creation of a committee of attorneys, educators and parents in November 1981 to study how the potential deregulation of P.L. 94-142 might impact on Missouri special education statutes and the provision of services. The report notes areas where state law is weak or mute and, where appropriate, recommends changes to Missouri's state plan to fill gaps caused by potential federal deregulation.

In spite of moderate support statewide, vocational education faces severe funding problems in Missouri. Federal funding was cut by 18% this year, and the SEA anticipates cuts of 20 and 21%, respectively, over the next two years. At the same time, state support of vocational education is stagnant. In 1981-82, an increase of $1.5 million was authorized by the legislature, but only $500,000 was appropriated. The SEA requested a $9 million increase for FY 1982, but their pleas are "falling on deaf ears." Vocational education competes directly with the Foundation Program (which includes general aid, special education aid and transportation aid), and vocational education interests are not optimistic about significant gains in funding until the economy turns around.

The Administration of Federal and State Programs for Special Needs Students

This section examines the influences that the federal and state governments exert on each other in the administration of special needs programs. First, we describe how state policies and priorities shape the administration of federal programs. Second, we look at the effects that federal requirements have on state program administration. Finally, as these two streams of influence converge, we describe the compatibilities and conflicts that result.

State Influences on Federal Programs

There are two factors that appear to shape education policy in Missouri and affect the administration of federal education programs.

First, there is a tension between the tradition of local school district autonomy on the one hand, and the prescriptiveness of federal education law on the other. Second, the state does not share the federal government's level of commitment to target populations.

Because Missouri is made up of many small, rural school districts, the SEA goes out of its way to preserve local control. The Department limits its mandates on LEAs, preferring to go the route of "friendly persuasion." The administration of federal and state programs for special needs students reflects a continuing tension between the strong autonomy of LEAs and the prescriptiveness of federal law. LEAs are given as much discretion as SEA managers deem permissible, with guidance from the SEA coming primarily in the form of advisements and technical assistance. The major exception is the Title I program, where the federal government has sought tight compliance with the federal law through audits at state and local levels.

This exception can be explained by the experiences that Missouri, as well as other states, had with federal auditors during the early days of Title I. Reflecting the strong tradition of local control in the state, the SEA allowed broad use of Title I funds by local school districts with a minimum of regulation. Audits of the program by the U.S. Office of Education and General Accounting Office (GAO) in the late 1960s were critical of this approach, however, and admonished the Department to monitor local programs for compliance with federal regulations. The state's response has been to develop a Title I program that closely mirrors federal legislation and regulations.

The SEA's primary focus is on monitoring LEAs for compliance with federal regulations and keeping continuity in rules and regulations. The state's "Manual of Operational Policies and Guidelines" interprets federal policy narrowly, giving local school districts little flexibility in program design and operation. Title I programs are similar across the state: reading and language services provided through a pull-out model. One of the few areas of discretion allowed LEAs is the determination of which grade levels will be served by the program. Other state-imposed limitations include:

- Annual applications are required although the federal law would permit a three-year plan.
- Title I teacher aides are required by the state to have 60 credit hours of college.
- Direct costs for support services in a Title I project are limited to eight percent of the direct costs of instruction.

This tight administration of the Title I program has kept Missouri from having an audit exception and has provided urban school districts with the support that they need to implement some of Title I's more controversial requirements, such as elected Parent Advisory Councils. On the other hand, Missouri's conservative and uniform interpretation of federal program requirements is seen by some local school districts as a barrier to innovative program design. The SEA's concern with limiting abuses in the Title I program has also caused Title I staff to spend much more of their time on implementing changes in federal regulations than on providing programmatic and instructional support to LEAs. The technical assistance they provide is usually in interpreting the regulations, choosing attendance areas, and administering the pull-out model. They hold workshops for local district staff which explain regulatory changes, offer guidance on computing comparability, and provide some program development advice.

Because of the constraints and restrictions put on LEAs by the SEA, Title I has not had much effect on the delivery of regular education. Title I has, however, become an important and smooth-running program for disadvantaged children in Missouri and has had some desirable spin-offs.

The introduction of Chapter 1 has required Title I staff to rewrite their "Manual of Operational Policies and Guidelines." Concerned about the unpredictable actions of federal auditors, the SEA treated Chapter 1 as Title I with some adjustments based on the non-binding Chapter 1 regulations. For example, the new policy book omits the 25% attendance area eligibility rule, but the Title I staff have notified LEAs that the rule still seems permissible. New language on supplanting and excess cost requirements is being developed which would be reasonable alternatives to previous language.

In administering its Title IV-C program, the SEA is similarly conservative and restrictive in defining approvable activities. Regulations are applied uniformly to all LEAs, giving them little flexibility in program design, regardless of district needs. This approach works well with rural school districts but creates problems for larger suburban and metropolitan districts that want to be more innovative in their programs.

The state's concern with local autonomy can be seen in the administration of special education. Missouri does not add any special education requirements beyond those embodied in federal law. Monitoring for compliance with federal and state regulations is conducted "off-site," using LEA aid applications, local compliance plans, school censuses, and the required child counts. Staff check for children not served, inappropriately identified children, inadequate staffing of programs, and possible supplanting of federal funds. LEAs are notified of problems, and the Division works on site with local districts to resolve them. When the LEA is not responsive, the state will withhold state aid as leverage for gaining LEA compliance. The Division feels that this approach has lessened the LEA's fear of monitoring and led to a positive working relationship between the state and local districts. Formal on-site monitoring is conducted upon request and when non-compliance is not resolved through technical assistance. Off-site reviews are conducted during the first half of the school year; the remaining six months are devoted to technical assistance. One of the Division's major activities is helping small school districts of 60 to 80 students identify ways of serving their small number of special education students. Other monitoring activities include evaluation of IEPs by an independent agency, LEA biennial audits, and investigation and resolution of all child services complaints.

The second factor that helps to explain Missouri's administration of federal programs is a lack of goal congruence between the state and federal government concerning the problems of the educationally and economically disadvantaged. In Missouri these are viewed as problems of the state's two large cities, St. Louis and Kansas City. Because of the state political balance, St. Louis and Kansas City are pitted against the more powerful rural interests and therefore exercise little power in the legislature.

As a result, Missouri has no bilingual education program and plays a minimal role in civil rights and desegregation activities. A number of LEAs are, or have been, under OCR or federal court-ordered desegregation decrees. The State Board of Education is committed to voluntary programs for desegregation and has developed policies, requirements, and guidelines for LEAs and SEA staff. A small technical assistance unit, funded under Title IV of the Civil Rights Act, assists LEAs in the preparation, adoption, and implementation of plans, assurances, or programs for the desegregation of public schools. This office is also responsible for Title IX, Section 504, and Lau regulations.

Federal Influences on State Programs

The effect of the federal education role in Missouri can be seen in increases in services to special needs students and in changes in the function and capacity of the SEA. First, federal programs expanded special and vocational education in Missouri. While the state had a special education law prior to P.L. 94-142, the state law was based on a model which was being developed in Washington. Due process requirements were added to the state's legislation as a result of P.L. 94-142, and all special education programs in the state are now required to meet federal regulations. Staff in the SEA feel that because of the federal law, Missouri is serving considerably more students than it would have served otherwise and that the protections given these students are greatly expanded.

The federal Vocational Education Act and its amendments have had a considerable impact on the provision of vocational education programs to students in Missouri. Funds from the 1963 legislation enabled the state to expand its system of vocational education centers from five to 58, serving about 30% of the state's students. Since state vocational aid must be spent on staff salaries, federal dollars give LEAs some flexibility in the use of vocational education resources. Teacher education and development programs, research, and curriculum are totally federally funded. The set-aside funds are particularly important in light of the reluctance of many LEAs to provide these programs on their own. The Section of Vocational Special Needs Programs within the SEA has educated LEAs over the last six to seven years on the importance of special needs programs and has developed model programs that local boards of education may adopt.

In compensatory education, the federal influence is not as strong; Missouri provides only a small remedial reading program, a part of special education funding. The program dates back to around 1968 and evolved from a program developed by the superintendent of an urban school district. Although the Title I program is not perceived as an influence on this program, some funds are used to pay for part of the salaries of Title I teachers, freeing up Title I funds for other purposes. The other part of the program funds teachers to provide remedial reading to non-Title I eligibles who are deficient in reading. Similarly, the extra weighting in the state's school finance formula for children from impoverished families was enacted as part of a 1974 school finance reform law, and was designed to drive more general operating aid into urban school districts. The measure of poverty used -- the number of children from families receiving AFDC funds -- is also the variable used for the sub-county allocation of Title I funds in Missouri.

Federal influences on the SEA and the way it administers its programs are more clear. Title V dollars increased the SEA's capacity in data processing; management information systems; and planning, research, and evaluation. Administrative dollars from federal education programs provided the resources and the need to become involved in more monitoring and regulation. The strong local control ethic in the state, however, limits monitoring and regulation to federal programs. While the state has been more involved in LEA business, e.g., testing programs, information management systems, and school accreditation, that involvement has retained the SEA's traditional "hands-off" service orientation. Thus, the SEA has a dual personality. With federal programs it is hard-nosed and prescriptive. With state programs, it doesn't mandate, but tries to encourage and influence local school district practices.

Compatibilities and Conflicts

At the broadest level, Missouri and the federal government have different priorities. Missouri does not share the federal government's priority on civil rights issues or on programs for the economically and educationally disadvantaged. The Title I program is therefore isolated and tightly administered and concern over civil rights and bilingual education issues are not evidenced by state education laws or programs. This is not to say that Missouri is in any way antagonistic towards these issues; they are simply not state priorities.

In vocational education, where both the federal and state government are active, conflicts arise from philosophical differences between Missouri and the federal government, differences that have been exacerbated by the state's fiscal crisis. Many of Missouri's vocational education administrators feel that federal policy has shifted from a manpower to a social policy, setting up tensions between the goals of state and federal vocational education programs in the state. The state goal is reflected in the method of distributing state vocational education aid: "a predictable [and uniform] amount of money for specified purposes," with those purposes being appropriate vocational education programs. The state formula does not recognize variations in either district wealth or need, as is required in the distribution of federal funds.

This tension is also reflected in considerable criticism of the federal "set-asides" requirements. It is argued that the federal government has too many purposes and too few resources to serve these purposes, leading to a "dissipation of funds." Also, since Missouri does not have a state compensatory education aid program, local districts have had to match the set-aside for disadvantaged students with local funds since the implementation of the 1976 VEA Amendments. Although the intent of this provision was to serve more students, the fiscal crisis in Missouri's school districts has created some reluctance on the part of school boards to initiate or to continue support for these programs, especially in light of little support for programs generally for the economically disadvantaged. State vocational education administrators noted that the state was more successful in persuading reluctant local school districts to undertake special needs programs when the state could provide 100% of the funds.

In special education, problems result from federal program requirements which the state views as excessive, and from conflicts with existing state law. For example, Missouri due process laws require the involvement of a three-person team which drives up the cost of due process hearings in special education. School districts also find the related services requirements "burdensome and unclear." Most LEAs are not equipped to provide non-educational services to handicapped students so they must contract with outside agencies and usually find limited support from other state agencies. One respondent noted that special education case law has taken education out of the public arena and put it into the arena of private education. That is, the movement is away from a free and appropriate public education to a "luxurious" education.

Other problems with federal programs reflect the nebulous and frequently changing nature of federal regulations. Such a concern is very important in a state like Missouri which strictly interprets and adheres to federal requirements. It was reported that because so much effort is required to understand and keep track of changing regulations, staff time that could be devoted to program development and technical assistance activities is severely limited. Again, however, it is Missouri's priority of "keeping it clean" that limits other programmatic activities.

In addition to these conflicts, other problems commonly associated with federal education programs were investigated:

- Federal requirements place substantial administrative and paperwork burdens on the state;
- Federal programs create offices or "franchises" within SEAs that bypass normal channels of authority and go directly to Washington; and
- Federal requirements detract from the regular education programs.

Evidence to support these assertions was not found. The first potential problem appeared to be discounted at the SEA level because federal programs financially support paperwork and administrative work at that level. Some complaints were heard, however, at the LEA level about paperwork burden in special education. Second, there were no federal "franchises" operating in the SEA. While federal program administrators may enjoy autonomy and power of information because they have studied and learned the regulations well, they are constrained by the philosophy of the SEA in how they can interpret and apply the regulations.

Finally, no strong evidence was found that federal requirements detracted from the regular education program. It is important to remember, however, that Missouri has experienced financial troubles and that there is competition within education for funding. Because vocational education must compete with other services that are protected within the state's Foundation formula (e.g., special education) and because of a decline in federal aid, vocational education currently faces severe funding cuts. While federal leveraging provisions do not appear to have significantly increased state dollars for federal purposes, these leveraging provisions have increased LEA spending on vocational education set-aside and Title I programs. These provisions, especially maintenance of effort, have imposed fiscal and political rigidities on LEAs facing budget constraints and have, at least potentially, an effect on the regular education program.

Summary

The administration of federal programs in Missouri, and their interaction with state education programs, takes place within an environment of political, economic and social conservatism. Three factors appear to explain the findings presented in this case study:

- a tension between a strong concern for local district autonomy and the prescriptiveness of federal education laws;
- an "audit mentality" in the administration of ESEA programs that was derived from early federal program audits; and
- a lack of support within Missouri for programs in bilingual education, compensatory education and civil rights.

A strong local control state with many small rural school districts, Missouri extended its traditional "hands-off" service orientation to the administration of new federal programs. Program audits resulted in the state's strict and narrow interpretation of federal regulations. Because of these audits and the often vague and changing nature of federal regulations, the state's administrative role under ESEA has been generally limited to helping local school districts interpret federal regulations to run compliant programs. The SEA takes a modified approach in administering programs in special and vocational education, one which reflects the strong local control ethos and the way in which the state administers its own programs. While still ensuring compliance with federal regulations, staff are more apt to conduct "off-site" monitoring, offer model programs for adoption by local districts, and to give technical assistance rather than demand immediate compliance.

The federal role in education has been instrumental in helping Missouri to meet the needs of its special students. P.L. 94-142 and the Vocational Education Act and its amendments augmented existing state efforts in those areas and increased the provision of services to target students. Title I, while not integrated well with the regular program, is a smooth-running, stable program for the educationally disadvantaged. SEA capacity building and administrative money from the federal programs have strengthened the infrastructure of the SEA and have allowed the department to become selectively more aggressive in program administration.

A lack of interest within the state in bilingual education, compensatory education and civil rights programs, however, has left these student groups vulnerable to reductions in services should the federal government reduce its role in these areas. The state has no service mandates, only a small remedial education program, and little interest in initiating activities to benefit these target populations.

NEW MEXICO STATE PROFILE

Harold Winslow

Introduction: The State Context

New Mexico is a Sunbelt state, separated from its neighbors by history, tradition and culture. The state has a high proportion of Hispanic citizens whose cultural identity reflects the area's isolation during its 250 years as a Spanish colony. Little cultural identity exists with Mexico, except in the southern parts of the state. Relatively large Indian populations in the state retain traditional ways, although they are increasingly becoming involved in the mainstream New Mexico economy. The arrival of the Anglos brought the area railroads, mineral extraction, new cities and, ultimately, a center for atomic energy research and testing.

As the importance of subsistence agriculture and stock raising declines, those from the rural areas are increasingly deserting their rural homes to seek jobs in Albuquerque, Santa Fe or urban centers outside the state. Development of uranium mining since the 1950s, expansion of the oil industry, continuing atomic research at Los Alamos and Albuquerque, and the growth of small manufacturing firms have served to diversify the state's economy and provide new jobs for all sectors of the population.[1]

New Mexico's economy usually outperforms that of the nation as a whole during national recessions. Reasons include the lack of reliance on manufacturing (7.4% of non-agricultural employment vs. 22% nationally) and the oil and gas industry, which is fairly resistant to recession. During Fiscal Year (FY) 1982, employment increased by 2.0%; personal income by 12.5%. However, the state has also experienced periods of "bust" following mineral "booms," such as that now occurring in the uranium industry. Thus, New Mexicans take a fiscally conservative path in order to provide cash reserves for future emergencies.

New Mexico has 89 local education agencies (LEAs), with a public school population of 262,038. This figure does not include Indian students served by the Bureau of Indian Affairs schools. The state is presently experiencing a moderate decline in school enrollment (down 1.86% between School Year (SY) 1981 and SY 1982). Private schools enroll 20,319.

Education plays a major role in the state's politics because it comprises a large share of the state budget (50% of the budget goes for elementary and secondary; with higher and postsecondary vocational education, the figure approaches 80%). Disparities in property wealth led the state to assume the bulk of public school finance beginning in the mid-1930s. Since then there has been only minor reliance on property taxation for school support. The state includes large areas of land under federal ownership. Thus, various agencies (the Bureau of Land Management, the National Forest Service, Department of Defense, Department of Energy) contribute to schools through several devices such as payments in lieu of taxes.

---

[1] Preceding paragraphs condensed from Simmons, Marc. "New Mexico." In Lamar, H.R., (ed.). Readers Encyclopedia of the American West, New York: Thomas Y. Crowell Co., 1977, pp. 831-834.

For the past several years, special education has been a major policy concern as the state has undergone Sec. 504-based litigation, refused participation in P.L. 94-142, and seen an increase of 1,080% in special education expenditures since 1972. For several years now, there has been a general disinclination to participate in federal education programs because of perceptions about the "dependence" and uncertainty created by them, as well as their regulations.

Presently, basic skills, minimum student competency and teacher competency are important concerns. Another issue of longstanding salience and increasing in importance as enrollments decline is how far to go in supporting small LEAs as opposed to requiring their closure or consolidation (33 of the 89 LEAs have less than 500 Average Daily Membership (ADM), of these 19 have ADM of 250 or less).

Education Policy Within the State

Structure of Education Policy

Education and the Legislature. The New Mexico legislature meets for a 60-day session every other year. On alternative years, the legislature meets for a 30-day session to make appropriations and respond to any gubernatorial initiatives. The legislators have traditionally been rural and conservative. Various challenges to this power bloc have come from Albuquerque (until recently underrepresented in terms of its one-third of the state's 1.3 million population) and liberal elements in the northwestern, primarily Hispanic and Indian area of the state. A coalition of these groups -- the "Mama Lucies" -- wrested power from the traditional bloc in 1970. Between 1970 and 1978, when power returned to the rural, conservative bloc, the Mama Lucies secured the passage of the school finance reform act, a bilingual education act and a progressive special education law, while also increasing the level of support for education. Although no longer in control, the liberal and urban interests' influence is expected to increase in the future, particularly with the latest reapportionments.

Traditionally, the legislature waged battles over funding, district lines, and the vagaries of general school governance. During the 1970s, the legislature rejected requests by the state education agency (SEA) to undertake financing of activities for which federal funds were available. This attitude, in part, may reflect the longstanding role of the federal government in the financing of education in New Mexico -- federal ownership of lands within the state's borders produces various sorts of royalties and other revenues. Indian reservations receive educational funds from the federal government, and Impact Aid has long been an important source of funding. As the Great Society education programs began to appear, the securing of such federal assistance seems to have received little attention by the legislature. Into the 1970s, the SEA participated in virtually every federal entitlement program and many competitive ones, in the process amassing a quite sizable federal programs portfolio.

During the 1970s, the legislature began to scrutinize the SEA more closely. This reflects in part the more extensive role of the legislature in education finance decisions, leading legislators to wonder what all that money was buying. In addition, the state was hit with a monstrous set of Title I audit exceptions that seems to have impressed on the legislators' minds the fact that this new federal money brought with it rules and responsibilities.

The legislature discovered that the SEA was the recipient of large amounts of federal funding (relative to the total budget for the agency) — funding that received little or no legislative oversight. Figures for federal grants only appeared on the operating budget after the legislature recessed. When the legislators returned to town, the money had been spent, and there was little they could do about it. In response, the more conservative legislature seated in 1978 developed a policy that it would not make up for the loss of any funds from these federal programs. If the SEA wished to participate in the programs, the SEA would also assume the risk of the money and staff positions going away. This policy creates some difficulties for the SEA, but high-level officials in the department themselves believe that the state's involvement with federal programs should be both selective and minimal.

The School Finance System. New Mexico is a state with a long history of significant state-level contributions to public education. In 1974, the legislature passed a highly progressive school finance system which allocates money through a foundation aid formula. The state guarantees every school district a dollar amount per child. (The legislature approved $1,540/per unit value for SY 1983.) Actual district allocations are based on this essentially per-child amount as adjusted by special weights for early childhood education, special education, bilingual education, the training and experience of teachers, small schools, small LEAs, and one rural/isolated district. For SY 1983, total program costs for the equalization guarantee are set at $557.8 million, an increase of 13.7% over the prior year.

Administration of the finance system is the responsibility of the Public School Finance (PSF) division of the Department of Finance and Administration. The director of PSF is a gubernatorial appointee who administers the finance formula, reviews and approves local district budgets. PSF and the SEA have periodically experienced conflicts with each other.

The State Superintendent of Public Instruction. The state Superintendent, Leonard De Layo, is a scrappy old-timer who has survived numerous power struggles and controversies over his 19-year tenure. Under him, the state education department has experienced steady overall growth in size and influence over education in New Mexico. Throughout the periodic spats with, and challenges from, other state agencies, unfriendly legislators, district superintendents and interest groups, De Layo has somehow been able to survive. He is a master at devising political strategies, knowing when to attack and when to make tactical retreats. Much legislative liaison has recently been turned over to De Layo's assistant superintendents, as the SEA endeavors to increase the state share of the agency's support in the face of federal cuts. Despite his durability, however, Superintendent De Layo does not appear to embrace a particular education philosophy. Rather, he tends to be issue-oriented and highly sensitive to the volatile politics in the state.

The Role of Albuquerque. Albuquerque exerts considerable influence over educational policy in New Mexico. With one-third of total ADM in the state (just over 76,000 of the state's total of 262,038) and a progressive superintendent and staff, there is frequent tension between Albuquerque interests and the more traditional power cliques in the state.

Albuquerque has generally been alone in trying to get legislative support to address urban issues that, for New Mexico, have been unique to Albuquerque. Recently, however, other cities have experienced major growth (Santa Fe, Roswell, Farmington, Grants). With that growth, cities are experiencing many of the same problems Albuquerque has been trying to deal with over the years. As a result, the roots of an urban coalition seem to be forming which are likely to influence state politics in the future.

Federal Programs

New Mexico participates in a large number of federal programs involving both general and categorical purposes. During SY 1981, LEAs in the state received $102.3 million from federal sources. The largest programs are P.L. 874 (Impact Aid), which provides general purpose support in the amount of $26.5 million during SY 1981, and the Elementary and Secondary Education Act (ESEA) Title I which provided $22.3 million. The federal categorical programs are administered by discrete offices which operate in relative isolation from the rest of the SEA. Following are descriptions of the workings of the major federal program offices in the state.

ESEA Title I. The Title I program in New Mexico is administered by six staffers who have responsibility for both the basic and the state-operated programs. The Title I office does not issue any state-level rules or guidelines, but rather makes any necessary interpretations as applications are received and in the course of monitoring visits. The office exists in extreme isolation from the rest of the SEA, including other federal program offices. This isolation is described as being an effect of audits of state program administration which called for greater assurances that the money was being spent only for Title I administration.[1]

Monitoring is conducted by SEA staff accompanied by district-level staff. Title I officials feel that the use of district staff helps to demonstrate the evenhandedness of their monitoring as well as keeping local staff up on the requirements. The monitoring periodically coincides with the state's In-Depth reviews (See Page 16), but Title I rules require visits more frequently. Due to recent budget cuts, monitoring for the Title I Basic and Migrant programs has been combined.

---

[1] In his review of the draft of this case study, the State Superintendent took issue with our characterization of the Title I unit as being in "extreme isolation." He noted that the "program manager for this unit is a part of the Instructional Cabinet policy-setting group, and has direct and frequent ties with the Certification Unit, Elementary and Secondary Unit, and with the Special Education Program."

Currently 90% of Title I programs statewide are pull-outs. The district decides on program design, according to the state office. State officials add, however, that pull-outs are "forced on districts because otherwise it's not an identifiable Title I program." Program areas and related expenditures as of 1980 were as follows:

Table 1

Title I Program Areas and Related Expenditures

Subject	#Districts	$Million	%Total Expenditures
Reading	60	10.6	49.8
Language Arts	43	5.7	26.8
Math	40	2.7	12.8
Kindergarten	3	.59	2.7
ESL	3	.31	1.5
OLSH*	2	1.1	5.3
All Other	-	.24	1.1

*Oral Language, Speech and Hearing

Source: New Mexico State Department of Education (NMSDE). Title I Report, 1979-80, Albuquerque: NMSDE, 1980.

Reading, language arts and math clearly predominate; other areas represent only a smattering of total funds. Three districts operate what are called English as a Second Language (ESL) programs, but the state office is fairly strict about disallowing the use of Title I funds for anything called bilingual. Nonetheless, districts are allowed to use "bilingual approaches" where necessary to deliver the remedial services.

During 1980, 49.4% of Title I expenditures were for instructional aides, 39.4% for teachers. Student participation has varied somewhat, declining overall from 58,614 during 1970 to 32,385 in 1980. At the same time, the state allocation has increased from $8.8 million in 1970 to $22.8 million in SY 1981. Even with inflation, these figures reflect the shifts in programs toward greater concentration of services and fewer participants since the audits of the early 1970s.

ESEA Title I - Migrant. There are some 3,200-4,000 identified migrant children in New Mexico. These children are located primarily in the southern portions of the state, part of a migrant stream from Texas. The Title I migrant program is administered at the state level along with the basic program. In addition, there are three regional coordinators who visit each project monthly. The migrant project directors are a close-knit group and have frequent meetings with each other.

State officials think the migrant program is good in intention but fraught with problems. They are particularly critical of the provisions that allow services for "formerly migrant" children to continue for five years, feeling that this provision leads to abuse of the program. Two consultants have been retained by the state office to validate counts of migrants, and the state monitoring is focusing on trying to tighten the program.

State allocations for the migrant program increased dramatically from the 1974-75 level of $938,350 to $2,373,784 in 1977-78. During SY 1980-1981 the state received slightly more, $2,394,282.

ESEA Title IV-B. Title IV-B has been administered out of the Title IV-B office, within a Title IV group that is now being converted to the Chapter 2 group. The Title IV-B office is also known as the Educational Resources Center and includes two library media consultants (one of whom is also the coordinator) and support staff. When Chapter 2 of the Education Consolidation and Improvement Act (ECIA) becomes effective, one of the consultants will be picked up with state monies; the other will be paid out of Chapter 2 funds.

The state received $1.1 million in Title IV-B money during 1980-1981, up slightly from the SY 1980 level of $0.92 million. Title IV-B funds are distributed according to the following formula: 70% by enrollment; 15% by a small district (1,100 ADM) weight; and 15% by a weight for districts with below state-average scores on a fifth grade achievement test. No equalization factor is included since the state guarantees 95% of local revenues.

The state office is responsible for the approval of local applications for funding, for "program implementation" (which seems to mean technical assistance), and for monitoring. The state requires LEAs to demonstrate in their applications how the funds will be used to benefit the children who generated them. In addition, the state has required districts to name a local advisory council to help determine how to spend the funds. (Federal law does not require local councils.)

Monitoring is conducted in conjunction with the state's In-Depth review process which gets to 15 of the state's 89 districts per year. Other monitoring is done in districts in need of "special assistance," or upon LEA request. Findings from monitoring visits are issued within 60 days in a report to which the LEA must respond, also within 60 days.

ESEA Title IV-C. The Title IV-C program is administered out of an office by the same name supervised (along with Title IV-B) by the state's director of Title IV. When Chapter 2 becomes effective, the Title IV office will become the Chapter 2 office to administer those funds. During 1980-81, the state received $584,658 for Title IV-C, down slightly from the SY 1980 figures of $619,379. During those years, New Mexico exceeded the minimum 15% set-aside for handicapped projects devoting 25% of the 1980 and 33% of the 1981 allocation to that purpose. The Title IV-C director noted that small districts tended to emphasize special education, apparently reflecting increased responsibilities in that area imposed by the strengthening of the special education law in recent years.

State-developed priorities for Title IV-C projects are (in order): basic skills improvement, programs to serve students with special needs, drop out prevention, professional development for school-level staff, fine arts, and environmental education. The state has its own system for validating project designs and discourages adoption of designs coming from the National Diffusion Network list.

The LEA application was designed jointly by the state advisory council for Title IV-C, "subject matter specialists" and the Title IV-C staff. The program director said that many districts had problems both in devising projects and writing good proposals. In some years, not all funds were distributed. Thus, the state initiated an ambitious technical assistance effort that seems to have improved the situation. To comply with the requirement that program funds be distributed through an "equitable competition," the state office funds workshops and provides direct technical assistance to smaller school districts in order to make their proposals more competitive.

Monitoring is conducted by the Title IV-C staff annually at every project site. The monitoring stresses program compliance and looks at the extent to which the project is attaining its objectives. The statewide advisory council for Title IV arranges for independent evaluations of each project.

ESEA Title V. Title V has contributed approximately $500,000 per year to the SEA budget. The funds were devoted to a number of uses until 1974 when a federal audit led the department to move all the funds (except for about $10,000 used for staff development) into the Elementary/Secondary office of the Instructional Division. (This office is responsible for administration of the Educational Standards/In-Depth Review System.) With the consolidation of Title V into ECIA Chapter 2, the state has stepped up its effort over the last few years to replace federal with state support for this group's activities. In the interim, a substantial share of the SEA's allocation of Chapter 2 will be directed to the Elementary/Secondary group. In a letter to the staff director of the Legislative Finance Committee describing federal program participation, the superintendent described Title V as having been used for the past 10 years to carry out "basic statutory and regulatory functions" including local school evaluation, review and recommendation of textbooks, accreditation and technical assistance in basic skills improvement.

ESEA Title VII. LEAs in the state have participated in Title VII programs since SY 1970. During that year, five LEAs had grants totalling some $370,000 and serving 1,168 students. During SY 1982, 18 of the state's 89 LEAs had Title VII projects totalling $2.6 million and serving 5,400 students. Many LEAs have used Title VII funds to establish bilingual programs, later continuing their support with state bilingual and other state and local funds. During SY 1981, 42 districts received $3.3 million through the finance formula's weight of 0.3 for bilingual program participants. (This is based on a count of 8,097 full-time equivalent ADM in state-approved programs.)

The SEA receives a grant ($146,820 in FY 1982) to coordinate Title VII programs in the state and to conduct technical assistance. While Title VII does not require SEA approval of LEA applications, one district director of bilingual education told us that the SEA receives their applications for approval prior to submission to the federal government. When asked why this was done, he replied, "If they didn't approve it first, we might still get funded, but the state would come down hard on us" in terms of monitoring and scrutiny of the programs. Despite this perception, this LEA director (as well as respondents in other LEAs) has what is described as a good, collegial relationship with the department's Title VII coordinator.

Vocational Education. The vocational education group is located organizationally under the Assistant Superintendent for Instruction (as it has been except for a brief period following the 1968 Vocational Education Amendments when vocational education had its own division on an equivalent level with Instruction). The organization is now called Occupational and Continuing Education and includes discrete offices for program administration and curriculum development; vocational specialists (home economics, agriculture, trades and industry, etc.); special populations (handling the set-asides); postsecondary administration, adult education, community education, and industrial development training (a loose joint venture with the state's Department of Commerce and Industry).

The bulk of federal vocational education money received by the state (about $4.5 million in 1980-1981) goes into postsecondary programs. Only money generated by the set-asides for special populations goes to secondary schools. This allocation is based on the state's determination that it would be too difficult to coordinate the grants with the state's equalization formula, as well as a concern that, given the amount of the federal allocation, the money would be spread too thinly among secondary schools. Other federal monies do go into the secondary level including CETA funds (total state allocation of about $678,000 in 1981) and money generated in connection with energy-related activities in the Four Corners area (amounts fluctuate from just over $23,000 in 1973 to over $99,000 in 1978). A Four Corners grant financed construction of one district's vocational high school, for example.

Originally, the state's school finance formula included a weight for vocational education programs, but later the costs of vocational education were just factored into the general ADM and high school weights. Several proposals to reinstitute a special vocational education weight have been introduced to the legislature, but never passed. While legislation to fund the department's development of a state master plan for vocational education failed in the last session, the SEA developed such a plan on its own. The plan was subsequently adopted by the State Board.

State Programs

New Mexico has three of the major types of categorical programs included in our study: bilingual education, special education, and vocational education. The vocational education program was discussed above under federal programs. In this section we have also included an SEA activity of particular importance in considering federal and state interactions, the Education Standards/In-Depth Review System.

Bilingual Education Act. New Mexico's current law, the Bilingual Multicultural Education Act, was passed in 1973. Then, as part of the 1974 school finance reform legislation, a pupil weight of 0.3 was added for students enrolled in bilingual education classes. The current guidelines were written in 1977 and revised in 1979. Establishment of programs is at the option of local district authorities. However, once an LEA undertakes a program it must comply with the guidelines which place priority for programs at grades K-3 and provide that a student's participation may be for no longer than one-half day. Forty-two of the state's 89 districts operate state-funded bilingual education programs (237 schools). Most of the district's bilingual programs began as Title VII projects. Presently the federal bilingual funds are used to expand services beyond those allowed under the state's program.

Special Education. The current special education law in New Mexico was passed in 1972. A lawsuit challenging New Mexico's nonparticipation in P.L. 94-142 and alleging noncompliance with Sec. 504 led to modifications both in the rules and financing of special education in the state. (The plaintiffs won only on their Sec. 504 claim.) In fact, the rejection of P.L. 94-142 is often described as the vehicle by which a substantially greater legislative appropriation for special education was secured. Since 1975, enrollment in special education has more than doubled, and these students presently account for 10% of enrollment. State funding for special education rose from $4.5 million in 1971-1972 to $48.6 million during the 1980-1981 school year. Expenditures for 1981-1982 are projected at $59.8 million, an increase of 23% from the SY 1981 figure. Special education is financed through the general finance formula. Funds are generated according to the number of programs in the milder categories (Class A and B) and by the number of pupils for the more severely handicapped students (Class C and D). For example, a Class D child is weighted 3.5, and a Class A/B resource room is counted as 20 ADM. The procedural safeguards and paperwork requirements of the New Mexico law are described as being as extensive as those of any other state.

Education Standards In-Depth Review System. The SEA exerts considerable influence over LEA programs through the New Mexico Education Standards (NMES) which cover virtually all aspects of elementary/secondary education. New Mexico law requires the State Board of Education promulgate standards in the following areas:

- curriculum;
- organization and administration of education;
- recordkeeping (other than financial which is the responsibility of the Public School Finance Division);
- student membership accounting;

- teacher preparation;
- physical condition of schools; and
- educational facilities, including laboratories and libraries.

Detailed program design and curriculum content standards have been promulgated for each of these areas, including provisions dealing with special education, bilingual education, and vocational education.

Prior to adoption of the standards, the SEA's sole sanction in its dealings with LEAs was disaccreditation -- a stick too big for effective use. When the current NMES were promulgated in 1974, the SEA also began monitoring for LEA compliance with the standards. This monitoring is called the In-Depth Review (or more commonly, the "In-Depth"). Each of the state's 89 LEAs get an In-Depth Review every six years. The review team is composed of one person representing each curriculum area (which total about 12). The team has typically spent one to two weeks in an LEA (depending on LEA size), but the SEA expects to have to make some cuts in length of monitoring visits because of budget reductions. During the visit, the team reviews each standard item-by-item, checking to see if the LEA has a planned program (e.g., objectives for each curriculum area must be established) and whether the LEA has set appropriate strategies for meeting the various objectives. If the team identifies deficiencies in the LEA program, it prepares a report including recommendations to bring the district into compliance. The LEA then has one year to implement an agreed-upon compliance plan, or face having its case referred to the accreditation group for further action.

Together the above constitutes what we came to refer to as the Education Standards/In-Depth (ES/ID) Review System. An SEA official in the group responsible for the ES/ID stated that the system provides the department with a "way of exercising the power we were supposed to have in the first place." Some legislators and many LEA officials, however, believe that the system violates the philosophy of local control which has rhetorical, if not great practical, significance in the state.

Constitutional Protections. Two provisions in the state constitution are of relevance to this study. Article XII, Section 1 of the constitution requires the existence of a "uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state." This provision is interpreted to require the provision of a free appropriate public education for all students in New Mexico, and is one of the legal bases the State Board uses for promulgation of the Education Standards.

The second provision, adopted when New Mexico acquired statehood, secures the educational rights of children of Spanish descent, prohibits discrimination against them, and prohibits the creation of separate schools (Art. XII, Sec. 10). Finally, the state constitution requires the legislature to provide for a sufficient number of teachers with proficiency in both Spanish and English to meet the needs of non-English speakers (Art. XII, Sec. 8, as interpreted by Attorney General Opinion No. 68-15).

The SEA as an Organization

The SEA's participation in federal programs has played a significant role in altering the agency's size, functions and relationship to LEAs within the state. Federal influence has come through the department's role as administrative body for various federal programs and through the use of ESEA Title V monies. However, growth in the state's share of school finance and the multi-faceted movement for greater accountability of the education system have been equally influential as federal involvement in prompting changes in the SEA over the last 15-20 years.

Size and Structure

The influence of federal programs in increasing the size and altering the organizational structure of the SEA is seen in the federal contribution to its operating budget, in organizational changes effected over the past 20 years, and in the use of federal Title V monies to help pay the costs of exercising new responsibilities imposed by the accountability movement in the state and the state's assumption of a greater share of school finance costs. By 1976, the federal government contributed 48.2% of the SEA's administrative budget. This figure reached its high point in 1978 when the federal share was 58%. A combination of a decline in federal dollars generally since 1978, the state's nonparticipation in P. L. 94-142, and an SEA policy of reducing reliance on federal administrative funds all yielded a steady decline in the federal share of the department's budget. By 1981-1982, the federal share was down to 38.9%. A further decline is expected with anticipated federal cuts, particularly given the consolidation of Titles IV and V into ECIA Chapter 2.

Figure 1 shows the organization of the Instructional Division of the New Mexico State Department of Education during five selected years between 1961 and 1981. According to an SEA respondent, prior to passage of the National Defense Education Act (NDEA) in 1958, there were only two curriculum specialists in the department. Figure 1 shows the post-NDEA (1961) organization of the Instructional Services area which includes 11 curriculum specialists (not counting vocational education) and functions such as teacher education and certification.

By 1969, the organization clearly reflected passage of ESEA with offices for Title VI (special education), Title VII (bilingual), guidance and counseling (old Title III), libraries (old Title II), compensatory education and migrant education (Title I), although funds management responsibilities were placed separately in the division of Administrative Services. Additionally, the chart shows an office of Education Professions Development (reflecting the influence of the Education Professions Development Act -- EPDA).

The 1969 chart shows that a separate vocational education division was established. At the same time extended state responsibilities were created under the Vocational Education Act (VEA) of 1963, and the VEA amendments of 1968. By 1969, the vocational education division included

Figure 1

ORGANIZATION OF THE INSTRUCTIONAL DIVISION, 1961 - 1981

NEW MEXICO DEPARTMENT OF EDUCATION

INSTRUCTIONAL SERVICES AREA (1961)

- Exceptional Children
- Secondary
  - English
  - Social Studies
- Elementary
  - English
  - Social Studies
- Guidance (NDEA V)
- Teacher Education
- Certification and Teacher Placement
- Physical Education and Recreation
- Health Education
- Audio Visual
- Trades and Industry
- Agriculture
- Home Economics
- Vocational Rehabilitation
- Distributive Education
- Safety Education
- Music and Art
- Science (NDEA III)
- Mathematics (NDEA III)
- Language (NDEA III)

INSTRUCTIONAL SERVICES (1969)

- Special Education/ ESEA VI
- Education Personnel Development
- Evaluation and Assessment
- Certification
- Foreign Languages
  - Bilingual Education
  - ESEA VII
- Language Arts
- Art and Music
- Health, Physical Education
- Science and Conservation
- Guidance and Counseling
- Library Services and Media
- Social Studies
- Compensatory Education
  - Early Childhood Education
  - Migrant Education

NOTE: Vocational Education Services was a separate division during 1969 on same level as Instructional services.
Components included:_
- Special Needs
  - Counseling
  - Work Study
  - ESEA VIII
- Post Secondary
  - Private Vocational Schools
- Agriculture
- Distributive Education
  - Cooperative Ed.
- Home Economics
  - Consumer Ed.
- Health Occupations
- Office Occupations
  - Business Education
- Vocational, T&I, and
  - Technical Education
  - Apprenticeship Training
- Industrial Arts
- Vocational Research
- Manpower Development & Training
  - Rural Area Development
- Adult Education

INSTRUCTIONAL DIVISION (1971)

- Drug Abuse Education
- Education Personnel Development
  - Small Schools Project
- Certification and Teacher Placement
- Special Education- ESEA VI
- Foreign Languages
  - Bilingual Education
  - ESEA VII
  - Title IV
- Language Arts
  - Library Services
- Health, Physical Ed. and Recreation
- Art and Music
- Driver Education
- Mathematics
- Science and Conservation
- Guidance and Counseling
- Social Studies
- Indian Education
- Title I, ESEA/Compensatory Education
  - Early Childhood Education
  - Follow Through
  - Migrant Education
  - P.L. 874-815
- Private Schools
  - Title II ESEA
  - Title III NDEA
- Title III, ESEA

ASST. SUPT FOR INSTRUCTION (1977)

- School Accreditation
- Elementary/Secondary Education
  - Math
  - Science
  - Guidance
  - Early Childhood
  - Career Education
  - Reading
  - Health
  - Social Studies
  - Fine Arts
- Vocational Education
  - Curriculum and Program Review
    - Agriculture
    - Curriculum Development
    - Distributive Education
    - Health Occupations
    - Home Economics
    - Industrial Arts
    - Industrial Development
    - Office Education
    - Post Secondary Admin.
    - Trades and Industries
  - Program Development
  - C.E.T.A.
- Instructional Materials
- Evaluation, Assessment and Testing
- Special Education
- Title IV
- Title I/Migrant/Follow Through

ASST. SUPT. FOR INSTRUCTION (1981)

- Accreditation
  - Certification and Teacher Preparation
  - Accreditation
- Occupational and Continuing Education
  - Program Administration and Curriculum Development
  - Vocational Specialists (Ag,DE, Home Ec. T&I, etc)
  - Special Populations
  - Adult Basic Education
  - Industrial Development Training
  - Community Education
  - Post-Secondary Administration
- Elementary and Secondary Education
  - Program Administration and Curriculum Development
  - Elementary and Secondary Education Specialists
    - Art
    - Basic Skills
    - Elementary Education
    - Foreign Languages
    - Health and P.E.
    - Language Arts
    - Math
    - Multicultural Education
    - Music
    - School Administration
    - Science/Conservation
    - Social Studies
  - Title I/ Migrant Education
  - Instructional Materials
- Instructional Support
  - Special Education
  - Indian Education
  - Bilingual Education
  - Title IV B & C
- Instructional Evaluation
  - Statewide Testing
  - G.E.D. Testing
  - New Mexico High School Proficiency Examination
  - Action Research
  - Vocational Testing
  - Accountability Study

Sources: New Mexico SEA organization charts.

an office for special needs groups, postsecondary and adult vocational education, and research -- all initiatives of the 1960s vocational education legislation at the federal level.

Further growth related to federal activities is seen in the 1971 organization chart where offices for Follow-Through and Title III have been added, as well as distinct offices for Title II and Title III of NDEA. Indian Education was moved to Instructional Services from the Administrative Services Division, as was the funds management responsibility for Title I, which became part of an expanded office for Title I/Compensatory Education.

The 1977 and 1981 charts show the emergence of the Elementary/Secondary group within the Instructional Division. This development coincides with implementation of the New Mexico Education Standards (promulgated in 1974) and the New Mexico Basic Skills Plan (passed in 1977 by the State Board of Education), both of which are the responsibility of the Elementary/Secondary group. The accountability movement in New Mexico is reflected by the NMES and the Basic Skills plan. Both activities carried with them new SEA responsibilities for technical assistance, monitoring and assessment of LEA progress.

Of equivalent importance in the growth of the SEA has been the growth in the state's traditionally large share of education finance. By 1974, the year before implementation of the state's major school finance reform, the state contribution accounted for 60.9% of LEA budgets. With the new finance reform law, the state share jumped to 64.5% in 1975, and by 1981 had reached 67.7%. With these increases in state funding, the legislature called for greater state oversight and scrutiny of LEA programs. Both the division of Public School Finance and the SEA became more active in this regard.

Funds from ESEA Title V have played a major role in helping the SEA to fund the exercise of these expanded responsibilities. One department official observed, "We have received about one-half million dollars from Title V, and we never could have gotten that much from the legislature. That money has allowed us to develop and operate a lot of what are now basic functions, like developing and monitoring compliance with the standards, teacher certification, and so on." In addition, the consensus of opinion among our respondents was that the SEA had been an extremely unattractive source of employment due to low pay and little prestige. Title V funds helped change that to some extent (although SEA staff are still paid less than their counterparts in the larger LEAs). The federal programs coordinator in a large LEA noted that following the passage of ESEA, "the state department drew people primarily from rural schools, since the big districts could pay more. When the big federal dollars came in, the state could pay more than it had, and that both improved staff quality and lessened turnover."

Functions and Capacity

Accompanying the growth and structural changes in the SEA over the past 20 years have been changes in the kinds of activities the department is involved in, the functions department staff must perform, and the overall capacity of the agency to make and effect education policy and to supervise the activities of LEAs within the state. Involvement with federal programs along with several other sources of influence have combined to produce these changes.

Prior to its involvement with the National Defense Education Act, the SEA was an agency that had few responsibilities and little formal interaction with LEAs. Respondents agreed that NDEA was largely responsible for awakening the SEA in the late 1950s and early 1960s. They also agreed that a shift occurred around the mid-1970s from the newly found curriculum/technical assistance focus, to a focus on regulation, monitoring and procedures. Opinions differ, however, on the primary cause for this shift. A district superintendent discussed the changes in the SEA over this period:

> After NDEA passed, it was a very exciting time. The state gave us lots of curriculum help, and the relationship was very collegial. Then, over the last 10-15 years, came a transition to a regulatory/monitoring orientation. Why? Pressure from legislators, pressures about the quality of education. The state department always caves in and promises to hit on the locals, never to defend the system.

When asked whether federal programs had anything to do with these changes, this superintendent said that the "federal programs taught the state the elaborate rules approach and thereby helped the states learn how to do it."

Federal program requirements for application approval, monitoring and evaluation have certainly played a major role in this shift from curriculum development and associated technical assistance (through NDEA), to the development of procedures (how to decide vs. what to decide), monitoring, and compliance-oriented technical assistance (through ESEA and later federal initiatives). Nonetheless, other influences seem equally important.

First, the department's functions were affected by legislation involving education finance and governance. In addition to influencing the number of staff, increased state funding contributions have altered the kinds of activities expected of the SEA. For example, the legislature has required more information on local programs from the department as the state share of LEA funds has grown. In addition, in the mid-1960s, the state changed to an elected [vs. appointed] State Board and an appointed [vs. elected] State Superintendent. A legislative respondent characterized the SEA prior to this change as a "political dumping ground and haven for retired district superintendents." The changes in governance, this respondent believes, made "the Superintendency less a popularity contest, and the State Board more accountable."

Second, in the early 1970s the State Superintendent of Public Instruction was coming under attack from various sources. One source was the Chief of Public School Finance (PSF), who had gained notoriety as a result of his efforts in the 1974 finance reform legislation. According to several respondents, this PSF Chief had attempted to make or influence education policy through his office's control of the LEA budget-making and approval process. Another source of attack was a move by some in the legislature to remove the Superintendent from office. These threats resulted in the Superintendent's reorganizing the department and making staff changes at the assistant superintendent and middle management levels. In addition, the Superintendent ordered the development of new education standards. When the New Mexico Education Standards (NMES) were adopted by the State Board in 1974, the SEA also initiated a program of monitoring LEA efforts to implement and comply with the new standards. This monitoring requirement (the In-Depth Review) gave the SEA a vehicle for obtaining information regularly on LEA practices. Having such information put the SEA on a more equal footing with PSF, which already had access to information through the requirement that LEAs submit detailed budgets and expenditure reports, as well as the statutorily required annual budget hearings PSF conducts at each LEA.

Most respondents felt that management changes made at the SEA during this period were positive ones for the department, including new types of staff. One high-ranking SEA official involved in developing the 1974 NMES recalled:

> The quality thrust reflected in the 1974 Standards came from a new breed of administrators in the department. The State Board was asking us for assurances of quality. The new breed was interested in shifting emphasis from teaching to learning, quality over counting, new answers and new questions. The new breed came partly from the Superintendent's interest in changing and upgrading the image of the department. He's a survivor, saw criticism of the department building and wanted to respond.

Finally, the SEA was heavily influenced by the general accountability movement sweeping the country at about the same time. A department official noted:

> We've changed to try to project a view of quality education in the state and to lead or force LEAs to do it... Where you have so much state money, the legislature expects more control, more strings. The department probably spends more time in a regulatory stance than TA or leadership. Over one-half of our staff are doing regulatory activities. This interferes with local control, but also provides a mechanism for accountability. If the legislature doesn't like what we're doing, they can cut the money for it.

Another high-level SEA respondent said that "we're trying to do as much TA with locals as possible, but, given our statutory responsibilities, certain things must be done."

While opinions differ on the relative significance of these various sources of influence, there is general consensus on the nature of the shift the SEA has undergone. The functions to be performed by SEA staffers have changed, and so has the agency's organizational capacity to perform these functions.

SEA capacity in planning and monitoring has increased since these functions began receiving emphasis. The clearest indication of this capacity is in the Education Standards/In-Depth (ES/ID) review system. As discussed in connection with federal influences on state programs (Pages 49 - 51), the ES/ID system's design drew heavily on federal programs as models. The most direct relationship of ES/ID to federal programs is seen in the fact that the unit responsible for ES/ID had been largely supported by ESEA Title V monies. SEA staff are presently concerned about the effects of federal cuts, particularly as a result of the consolidation of Title V into ECIA Chapter 2. An SEA official said that the major challenge posed by the cuts is getting money from the legislature to continue the Elementary/Secondary division and its monitoring for compliance with the standards, as well as for providing technical assistance to LEAs.

While the functions for, and orientation to, monitoring and enforcement exist, capacity in terms of the capabilities of the individuals filling these functions is less clear. In general, SEA staff are less well-paid than their LEA counterparts. Even in terms of prestige, a highly placed LEA job is preferable to one in the state department. Both LEA and legislative respondents expressed concerh about the quality of some SEA staff, although the assistant superintendents and middle management staff brought in during the mid-1970s' reshuffling were generally regarded as capable individuals.

With respect to research and evaluation, the situation is much different. Federal program evaluations are conducted by the program offices and basically consist of collating the test score data submitted by LEAs. There is an evaluation group independent of federal programs within the SEA, however, its function seems to be limited to collecting the data from the state's assessment and student competency testing programs, sending them out for commercial scoring, and then reporting the results. Some low-level technical assistance for other SEA units is also done, but this is a sideline rather than an integral activity. At one time, SEA officials considered consolidating the federal program and state evaluation functions in one office, but dropped this plan when a federal audit concluded that the state "had been a little lax with the time cards" according to one SEA respondent. In discussing evaluation within the SEA, this official added that the Title I office relies heavily on the Technical Assistance Centers and their models for evaluation. In Titles IV-B and IV-C, the evaluations were described as "mechanical," focusing more on how the money is spent than on program impacts.

Given the influence of federal program involvement on the changes the SEA has undergone, we asked our respondents about the extent to which these functions and capacities are institutionalized. In other words, if there were no federal involvement, how would the SEA be different? Some indication comes from the department's success in getting the legislature to transfer some staff formerly paid out of Title V funds to state-supported positions. It is important to note, however, that the functions being transferred to state support all pertain to state (as opposed to federal) purposes. There is little evidence that the state intends to underwrite functions for the purpose of pursuing goals which, in New Mexico, are considered the federal domain.

We found the federal program offices to be isolated from the rest of the department. This has meant that most federal program staff are nominally involved in mainstream SEA functions. For example, the remedial requirements of the New Mexico Basic Skills Plan, based on minimum competency testing, are administered in a completely separate office of the Elementary/Secondary division from Title I, and we perceived no formal, and few informal interactions. The Title IV-B office has been assimilated well, but its functions are classic SEA functions -- textbooks and instructional materials. There is no evidence that the experimental and innovative activities of the Title IV-C office will survive the consolidation of Chapter 2. The bottom line is that particular functions have been developed as a result of experience with federal programs and are institutionalized. However, these functions are employed to accomplish state-initiated purposes, not the purposes traditionally associated with federal involvement since 1965.[1]

Changes in SEA-LEA Relationships

Given the nature and extent of changes in the SEA's size, organization, functions and capacity, we investigated changes over time in the nature of the department's relationship to LEAs in the state as well. We found that this relationship has indeed changed in the direction of increased SEA authority over LEAs since the mid-1960s. Federal programs have had some indirect influence on this shift, primarily through the provision of models for how to be a regulatory and monitoring agency, and through supporting the staff needed for reviewing LEA activities. Because of the lack of organizational integration of, or SEA management's sympathy for, federal programs, the federal influence by itself is not sufficient to explain the increased authority we found to exist. Pressure from the legislature, increased state allocations, and PSF competition have had as much or more to do with the increase in SEA authority.

The increase in SEA authority is an observation shared by virtually all our respondents. A high-ranking SEA official noted that change in the department's thinking reflected by the 1974 standards also changed the SEA's role vis-a-vis LEAs and schools:

---

[1] In his review of the draft, the State Superintendent took issue with the conclusions in this paragraph, saying that "in view of the important role the Chapter 1 and Chapter 2 program managers play in the instructional policy-setting process, the isolation is physical rather than functional. For example, the Chapter 2 program manager is actively involved in the revision process of the entire state accreditation system."

> Between 1958 and 1970, the department was mainly in a subject matter/assistance role. In 1969, state financing increased and the legislature expected us to take a more regulatory stance. The State Board's questions began to change; we saw the need for new and for more information.

The implementation of, and monitoring for compliance with, the standards eventually promulgated in 1974, became the responsibility of the Title V-supported Elementary/Secondary division. A department official said that "Title V provided the money to put our staff into the LEAs." Another said that "Title V money supported us to work with the districts." Increased authority even extends to longstanding state functions. An official in the SEA's office of teacher certification said, "We have become more bureaucratized and regulatory. The good side is more control over who teaches."

Authority over LEAs also increased through administration of particular federal programs. The head of the ESEA Title IV-B program said, "We can make corrections in local IV-B programs. We can't force them, but we can strongly urge them, for example, to concentrate the funds." An official in the state's Title I office, after delivering a stinging attack on the federal auditors, paused and added that the audits had helped give his office "more clout with the LEAs," since the LEAs became more receptive to getting the state's advice about how to run compliant programs.

A more longstanding source of authority over LEAs in New Mexico is the division of Public School Finance, one-time nemesis of the SEA and holder of the public school purse strings. A top PSF official told us:

> We keep very tight budgetary control over LEAs; for example, monthly reports are required. The state is unique in the amount of oversight over districts. All LEAs are required to have the same accounting system so we are able to know exactly what the budgets mean... We have a substantial amount of regulation and a substantial amount of control over local programs.

When asked if this interfered with 'local control,' he replied that in New Mexico, "you have to look at it a little differently. School boards in New Mexico only have to worry about spending money, not raising it. Thus, they can focus on programs."

From the LEAs' perspective, SEA authority has clearly increased. The superintendent of a large LEA in the state said the department's "attitude is not 'how can I help?', but rather 'can I catch them doing something wrong?'" An LEA director of special education added:

> The state has a policeman mentality. All they care about is how we look on paper. If we don't have neat flow charts and procedures for everything from A to Z, we get problems. There is just not a problem-solving orientation... A district's admitting that it has a problem yields a citation.

Special education is singled out for particular ire in this regard. Special education also happens to be one of only two program areas (the other is bilingual) where prior SEA approval of LEA programs is required; other areas are checked through In-Depth monitoring or, in the case of federal programs, individual program monitoring. The rapid growth in special education has made the lack of technical assistance and problem-solving relative to the amount of monitoring and enforcement particularly troublesome for the small LEAs. The Albuquerque district reportedly has responded to requests from small LEAs for technical assistance.

State Political Environment

A document put out by the SEA on the State of the State Regarding Public Education in New Mexico declares, "Education in New Mexico is big business; any enterprise which encompasses the expenditure of almost 600 million dollars and includes the employment of more than 20,000 persons cannot be overestimated in social and economic importance." Education is an important topic in the state, and its importance is reflected in the state's political environment. The legislature has made steady increases in funding for elementary/secondary education, an item that accounts for some 50% of the total state budget. The base per pupil amount used in the New Mexico school finance formula to calculate district aid has risen steadily as shown below:

Table 2

State Funding for Elementary/Secondary Education

SY:	1970	1974	1975	1978	1981
Per Pupil Expenditure	$642.	$895.	$1,036.	$1,403.	$1,776.

Although New Mexico ranks 39th among states in per capita income, it is 28th in average teacher salaries, and 17th in the ratio of public school employees to students.

Despite the increases in funding, however, New Mexico is a fiscally conservative state, having experienced frequent "boom and bust" cycles in the past (especially with regard to mineral, oil and gas extraction activities). As a result, providing for the future is an important consideration in legislative budgetary deliberations. The legislature allocates the state's funds into two major pots — current expenditures and future reserves. Requests for any additional allocations into current expenditures must meet a fairly high standard of justification. Major increases have occurred in special education (although most agree this has peaked), but there is considerable skepticism about the extent to which large-scale support for compensatory education would be initiated given potential major federal cuts.

This section discusses the influence of federal programs on three categories of political actors within New Mexico: the legislature, interest groups, and the SEA. While governors in New Mexico are periodically active in education issues, we perceived little involvement in matters pertaining to federal programs. (An exception is a governor's task force formed during the P.L. 94-142 controversy.) Similarly, while the State Board of Education has proven to be assertive in various state policy questions, the Board seems to follow the Superintendent's lead on questions involving federal programs. Finally, this section assesses the influence of the state's political environment on resources for special needs populations.

The Legislature

Despite a traditionally high level of support for education generally among legislators, there is little sentiment for pursuing the objectives of most federal initiatives with state monies. The present legislature is very conservative, a change from the liberal period of the mid-1970s during which the school finance reform, bilingual and special education laws were passed. A finance committee staffer said that legislative attitudes toward federal programs depend on the amount of money involved and the extensiveness of the strings attached to them. On Title I cuts, this respondent added that the "legislature wouldn't pick them up unless staff were reduced, especially aides." An education committee official added, "The burden will be on the [SEA] and LEAs to get the legislature to respond. The legislature will respond if cause is shown." 'Cause shown,' in his terms, means whether the LEAs demonstrate that they "want it, perceive the need" for the particular program. He predicted no state-level counterpart for Title I, at least until LEAs had experienced a few years without Title I.

Some respondents believe that the existence of federal programs allowed the legislature to disregard many educational problems by encouraging the SEA to seek out federal money whenever it was available for any new areas of activity in which the department wished, or needed, to be involved. More recently, though, legislative concern regarding the extent of SEA involvement in the programs developed, and a backlash ensued. Now the legislature expresses a refusal to take up the financing of any abolished, or reduced federal program.

Many consider the cause of this backlash to be the SEA's failure to involve the legislature more closely in decisions regarding federal program participation and administration. Others believe that the legislature was reacting to an anti-federal atmosphere created by school administrators who are unhappy with having to satisfy federally created responsibilities. "Those who have convinced the legislature and the public that federal programs are bad are also the ones not doing the job in serving those needs." Still others believe the federal programs backlash is merely symptomatic of political relationships altered for other reasons. Legislative demand for greater accountability in LEA programs (as the elementary/secondary budget came to comprise 50% of the overall state budget), and fallout from the power struggle between the Chief of Public School Finance and the SEA are both used as arguments for this point of view. Whatever the most significant causes, the federal programs have been the object of a backlash which, along with other forces at work in the state, have produced a major alteration in state political relationships since the early 1970s.

A ranking SEA official discussed the effects of this federal programs backlash. He said that there is a "legislative attitude in opposition to the department['s] running after every federal program," and that both the Superintendent and the State Board agree with this position. He noted that federal requirements have been used by the SEA to serve its purposes, but it had to be careful because the legislature sees a relationship between federal dollars and federal strings. He added that the legislature had in the past felt out of control with respect to federal program decisions (whether to take the program or not, how much to take), but "now they are more assertive."

SEA as Political Actor

There is no question that the Superintendent is an important political actor within the state. He and the department emerged as a stronger force in state education politics following the controversies during the mid-1970s that led to the department's reshuffling and the development of the Education Standards/In-Depth (ES/ID) Review System. The Superintendent is also quick to take credit for having the foresight to reject P.L. 94-142 and, in the process, secure major funding increases for special education from the legislature.

The Superintendent is suspicious of federal involvement in education as well as the goals of federally encouraged interest groups. He says that the "advocates side with the feds," and that while they say they just want more money for programs, in reality they want "to have the feds control education." Nonetheless, the Superintendent considers himself successful as an advocate for civil rights, feeling he "may have brought about more positive change by working quietly" on equity issues. He said that he has ceased participation in some federal programs "because you hire staff, and then the project goes away. Then what do you do with the staff?" he asks. He does feel, however, that "the feds are more justified in becoming involved in civil rights than in education."

The Superintendent's views on federal programs are reflected in the SEA's approach to the legislature. Funding requests to the legislature must be severed from any federal impetus. For example, the Superintendent asserted that his resistance to the state's participation in P.L. 94-142 was one key to getting the dramatic increases in special education funding from the legislature over the last several years. The Superintendent claims to have been way ahead of many other states in seeing the importance of lessening the SEA's dependence on federal funds, especially Title V, for support of basic department functions. A high-ranking SEA official said, "We'll get what we want from the legislature so long as our requests are conservative, involve good management, and are not driven by federal requirements." The department's recent success in reducing its dependence on federal funds for operating costs (relative to state funds) indicates that this strategy is meeting with success.

While SEA officials' political strategy currently is to disassociate themselves from any federal impetus, the department's participation in federal programs has played a role in increasing its capacity to lobby the legislature. Skills, and increased amounts of information about LEA operations, acquired from the Title V-supported ES/ID Review System and from managing federal programs, for example, have enabled department staff to influence more effectively the legislature and to meet periodic challenges to the department.

Special Interest Groups

One intended effect of federal programs such as ESEA has been to increase the participation in education policymaking of groups who have traditionally been underrepresented in the system. In New Mexico, this effect is apparent in special education, bilingual and Native American groups. It seems not to be the case (at least at the state level) with respect to Title I interest groups. In response to a direct question, a senior SEA official said that there were more interest groups as a result of federal programs, and that "if the federal programs go away, they would work at the state and local levels rather than in Washington."

Most of the efforts of federally empowered interest groups seem to be at local levels. One LEA official observed that a big change in federal programs over the past several years is that there are more entitlements and fewer competitive grants. "Groups are aware," he said, "of their entitlement and want to influence district and state decisions about the use of the funds." Despite this perception, state-level activism is just not apparent. One indicator is the state's policy of lessening its involvement in federal programs. One SEA staffer noted that the biggest change in her seven years with the agency is a "decreased willingness to take federal money." A senior SEA official also pointed out that there didn't seem to be a big outcry over federal budget cuts. He added that no interest groups showed up at the last legislative session, even in the wake of news about impending cuts at the federal level.

One reason given for minimum interest group presence at the state level is the structure of the finance system in the state. Special program weights were the subject of considerable debate and battles during the development of the 1974 school finance reform law. However, once the system was set up, the key question during each appropriation session became the basic per-ADM allotment. An LEA official said:

> With the finance formula, all the groups focus on one question -- more money for the base student allocation. Once that's set, the rest falls out and the controversies move to the local level.

Given at least some LEA discretion in its expenditure of state monies, plus the absence of an opportunity to debate state-level budget allocations for individual programs, it is logical that the LEA would be the focus of interest group bargaining. In addition, the current political climate disfavoring state assumption of discontinued or reduced federal programs would make a direct appeal for legislative assistance for such programs unlikely to succeed.

Clearly, the most successful of the special interest groups in recent years has been in special education. Much of this success is attributed to parent activism. One local special education director, who was also active in the special education movement, described the situation as follows:

> Initially there were problems for us in working with parents. But when we were trying to get the caps off of special education funding, there was lots of parent activism at the legislature. Now there's less activism by parents unless there is a threat to the program--then they coalesce. Parents of handicapped children are more activist than those of other groups. They were forced to fight. Special education used to be in portables and basements. Books, materials and supplies had to be scrounged. We have never forgotten that. The parents were rich, bright and willing to fight. And they were successful.

She added, however, that activism by itself is not enough. In addition, she said that a group also needs "some legal basis to hang their hat on."

Perhaps the most dramatic increase in political influence through federal programs has come to Native Americans. An LEA's director of Indian Education expressed the belief that "Indian parents have come a long way due to Title IV" of the Indian Education Act. Particularly influential has been the requirement of extensive Indian participation in LEA decision-making as a condition for receipt of federal Impact Aid funds. Impact Aid is a very important program in New Mexico owing to the heavy federal land ownership in the state. (Nearly 30% of New Mexico's land is held by nine federal agencies who compensate localities financially in one way or another for federal ownership.) While Indian groups would point out how far there is to go in terms of their effective participation, education officials tend to focus on how much the legally supported claim to participation has actually increased Indian involvement.

Another group that has experienced fair success in influencing legislation is advocates of bilingual education. The legal basis for their claims exists as a matter of both federal statutory and state constitutional law. (The state constitution secures the educational rights of children of Spanish descent and prohibits discrimination against them, Const. Art. XII, Sec. 10.) In addition, persons of Hispanic origin are generally influential in state politics. Experience with Title VII and the state program is credited with influencing the formation of a group sometimes referred to as the "Bilingual Educators." This group is credited with getting the special weight for students in bilingual education programs added to the 1974 finance reform law.

In contrast, virtually no state-level activism by Title I interest groups was reported. A senior SEA official was asked specifically whether any Title I-related groups were active in the state. "Only at the local level," he replied. Such local activism is reflected in the observation of the superintendent of a large LEA who said that "Title I parents have learned how to communicate, how and when to be involved." What remains unclear is whether this group, without the legally grounded claims of the handicapped, Native American and bilingual groups, could organize effectively to produce a state legislative response should, e.g., Title I be abolished or severely reduced. Ultimately, the lack of a legal imperative may explain differences in the amount of special interest group activism and effectiveness observed in New Mexico.

Finally, although not an interest group in the same sense as those just discussed, one of the most important bastions of support for federal goals and activities is the state's largest city -- Albuquerque. The city's school district, with one-third of the state ADM, is generally more sympathetic to federal programs than the SEA. Albuquerque exerts considerable influence in matters of education within the state. This also produces some backlash, particularly among rural legislators and small LEAs who are startled by the size of the district's budget relative to their own. Thus, sometimes Albuquerque must tread carefully. We were told that the district participates in various LEA organizations and often lets others put forth a particular initiative so as to avoid its being adversely affected by the "Albuquerque backlash."

The Political Environment and Resources for Federally Recognized Groups

In order to gauge the extent to which federal program involvement had altered attitudes toward federally recognized groups, we asked respondents to speculate on what would happen if various federal programs were abolished.

Much of the comment we received pertained to the future of ESEA Title I. The Superintendent voiced a phrase that we ended up hearing a lot: "The jury is still out on compensatory education." An upper level SEA official said:

> We wouldn't ask the legislature to pick up Title I or any other program where effectiveness has not been shown. Many districts just use it as a job guarantee program. The legislature is increasing the general fund allocations. Districts can take what has been good about Title I and continue that themselves.

The Superintendent agreed that the state's high support of education in general would cushion the impacts of Title I cuts. He added, however, that, given overall reductions in federal budgets and regulations, the most significant decline in services formerly provided with federal encouragement would be in Title I programs. These losses would even exceed those resulting from abolition of the Impact Aid program, which provided $26 million (slightly more than Title I) in general support to LEAs during FY 1981. This is because the state's equalization formula not only takes credit for, but also guarantees, the amount of district Impact Aid allocations.

In contrast to SEA and legislative attitudes, there is fairly high support for federal programs in the districts. One high-level LEA official stated:

> We can fund the regular program, but for the programs for equal access we need help...Federal involvement is the glue that holds those kinds of activities together.

An SEA staffer who spends much of his time in the districts said that he hears a lot of "compliments" about Title I, in spite of the complaints. The superintendent of a large LEA said simply that "Title I has served us well." LEA staff we interviewed did recognize, however, the SEA's disfavor with Title I, and a large LEA's Title I director agreed that the legislature likely would not fund compensatory education. He added that special and bilingual education are "more easily seen as identifiable needs by the legislature. A high-level SEA official involved with federal programs predicted that "handicapped kids will be protected, but poor kids may be ignored at the district level."

One source of protection for both handicapped and limited English speaking students is requirements in federal law that they receive appropriate services (Sec. 504 and Title VI-Lau, respectively). The costs of meeting these service standards has led to a fairly significant backlash against special education costs in the state. While "the legislature supports special education" a department respondent noted, the legislators are also "concerned about continued growth" in special education given declining enrollments. The effect of this backlash does seem to mitigate the protections of service standards for handicapped children. An LEA director of special education said that if the federal government dropped the Sec. 504 regulations, "we'll drop some paperwork, but also some services," including the loss of ancillary services to all but the "worst cases," a push to get severely handicapped children out of school programs, a reduction of funds for mildly handicapped children, and fewer classes for more severely handicapped children. New state regulations promulgated in June 1982, are designed to tighten the state's special education program, and in fact reflect a tightening of the mildly handicapped programs (particularly the learning disabled program).

Service standards also help in guaranteeing bilingual education funding, but in addition the highly significant Hispanic and Indian populations in the state produce a stronger base of support for these efforts than for Title I-type activities. Since spending for bilingual programs has not grown as rapidly as for special education, these programs are also not encountering the same kind of public and legislative backlash.

Administration of State and Federal Programs

This section considers the ways in which the state and the federal government influence each other in the area of program management. The first section considers the influence of state priorities and policies on the administration of federal programs. The second deals with the ways in which involvement in federal programs and requirements have affected the creation or operation of state programs and initiatives. The third section discusses compatibilities and conflicts that result when these two sets of influences operate in tandem.

State Influences on Federal Programs

State priorities have had a pervasive effect on the attitudes toward, and management of, federal programs in New Mexico. The priorities themselves, however, do not reflect a particular educational philosophy, nor are they associated with a particular individual or event. Rather, the state's priorities pertinent to federal programs have evolved from two related factors:

- the objective of avoiding dependence on federal programs, and
- a style of operation that is responsive to political forces in the state.

The notion of "dependency" on federal programs emerged in a number of our interviews at the SEA. Dependency, as used by department staff, appears to have two parts. First is fiscal dependency. Participation in federal programs results in the addition of staff and obligations, the costs of which are borne by the federal government. The department is thus fiscally dependent on federal allocations to support the activity. Federal funding levels are not, however, reliable. Cuts in allocations (or the program's abolition) leave the SEA with additional staff to pay out of limited funds, and, frequently, a set of expectations on the part of stakeholders that the obligations continue as well. The second form of dependency may be termed programmatic. Programmatic dependency refers to specification by the federal government of the means by which a given policy objective is to be pursued. Many SEA officials would rather pursue the objectives (if at all) in ways they feel are more suited to conditions in the state.

Particular state priorities also evolve from the SEA's style of operation which, as discussed in the last section, is both sensitive and responsive to demands from other actors in the political environment. Demands for greater regulation and oversight of LEA operations in the 1970s and the more recent accountability movement have been given attention by the department and, in turn, influenced how federal programs are managed in the state.

The desire to avoid dependence and the department's effort to respond to demands from its political environment can be seen in its renewed emphasis on the "regular program" within the state and in the considerable backlash against special needs programs, particularly in education of the handicapped. As discussed in the next section, many of the state's special education requirements have been federally driven (both by past participation in federal programs and the Sec. 504-based litigation). Special education is singled out largely because of the rapid growth in its funding and the associated fear that the costs of educating handicapped children under the service mandates are encroaching on the regular program budget. New demands on the regular budget are, in turn, fueled by the present emphasis in New Mexico on basic skills, student and teacher competency, and related accountability initiatives.

When asked about the existence of such a backlash, a senior SEA official responded that concern for the regular program has many sources besides past emphasis on special needs populations:

> For years, there were demands from the public and the legislature for special curriculum (drug abuse, the free enterprise system, and so on). The universities started expressing their concern about having to remediate high school graduates. Now, the biggest educational issues in the state are teacher competency and accountability, concerns regarding the overall quality of education, and employer concerns about proficiency. In essence, all of these things have helped spur the widespread concern for the regular program. It may be that there is a backlash from our emphasis on special needs, but there's more to it than that.

Nonetheless, the director of one LEA's special education program noted that "it helps our PR [public relations] now that special education funding has stablized." An SEA official in special education agreed, saying, "We had a backlash when the big increases in funding were coming." The LEA director added:

> After the caps went off special education funds, we went from having long waiting lists and a very small program of low interest to anyone but us, to a service requirement and rapid growth. Instead of putting special education in whatever space was available, regular education (band, library space, whatever) sometimes had to move.

Another LEA official said, "Regular teachers don't like the fact that special education gets unlimited funds." A staffer for the legislative finance committee concurred, "We've reached the saturation point on special education funding. Future increases will only be to make up for inflation."

These attitudes toward special education costs, as well as the disinclination at the state level to take up the slack created by actual or anticipated Title I funding cuts and the policy against taking on any major new federally initiated activities, spring largely from the concern about dependency. What political capital the SEA has will likely be used to respond to the demands for regular program upgrading. Consequently, the SEA cannot afford to be constrained by its actual or perceived dependence on federal programs.

These attitudes and circumstances explain much about how federal programs are managed in the state. The SEA will use federal programs to accomplish some objective when that is convenient (e.g., using federal vocational funds for postsecondary programs), adopt a minimalist approach to management when there is little support for the program (e.g., the conservative, audit-wary approach to managing Title I programs), or simply not participate (e.g., P.L. 94-142). Federal program offices are not integrated into the SEA's mainstream organization -- an arrangement that helps keep the accounts clean, but also does not jeopardize mainstream activities should federal funding disappear. While there presently does not seem to be much sentiment for dropping federal programs altogether, the SEA leadership clearly believes that its administration of those programs must be separate from what they consider to be their more important activities. Such an approach is intended to minimize damage to the department should federal support go away (such as the damage to the Elementary/Secondary division the SEA only narrowly escaped with the demise of ESEA Title V) and to present the posture of anti-federal sentiments to the legislature, a posture that has proven necessary to garner support from that body.

Federal Influences on State Programs and Policies

Despite the attitudes of SEA officials and legislators regarding the negative aspects of the state's involvement with federal initiatives, those initatives have influenced the design and operation of state programs and policies. This influence is manifested in two ways. First, federal programs have stimulated the development of programs for special needs populations which rely on federal models for many features of their design. Second, participation in federal programs has resulted in the SEA's acquisition of skills and techniques which have been used to pursue its own agendas.

Stimulation of Analogous Programs. We concluded that the federal initiatives in the areas of bilingual education, Title I, vocational education and special education have either stimulated or influenced the design of analogous state-level initiatives. For example, in bilingual education, the state has participated heavily in ESEA Title VII since its inception in 1968. Most respondents agree that Title VII had the effect of building capacity to conduct bilingual education programs throughout the system. Most districts started their bilingual programs in the early grades with the assistance of Title VII grants (which average three to five years in duration). Subsequent grants were used to move the program up the grades, the expired Title VII projects being picked up with state or local funding. A revised law in 1973 and the adoption of a bilingual program weight in the 1974 school finance reform act, served to help bilingual programs become much more widespread within the state. LEA respondents agree that capacity to conduct bilingual programs was initially developed via Title VII. Besides the initiation of local programs, Title VII has also supported the activities of a state-level technical assistance coordinator, as well as an extensive array of training and technical assistance activities conducted by Title VII-funded nonprofit organizations. LEA respondents were fairly unanimous in their agreement that these federally initiated activities had been important in the state's achieving its current range and quality of bilingual education programs. Even a high-ranking SEA official who is generally critical of federal programs, observed that "Title VII has sensitized people to the needs of limited English proficient students, so we passed a law to help meet those needs."

With respect to influences of the Title I program, the stimulation of state activities was less direct, but no less significant. The state Title I director noted that when the program began, the more sophisticated meanings of general aid, supplanting, and program design restrictions had not been developed. (Those interpretations and clarifications were a product of the tightening of the program in the 1970s.) They looked at the law and decided that they would "aim to provide needed services not being provided by the district." As a result, LEAs initially funded kindergartens, librarians and elementary school counselors (not then provided by state or local funds). A major federal audit in 1971 determined these uses to be general aid violations and disallowed them. By then, however, many of these efforts had become popular within the state. Subsequently, the state took up the funding for most of these purposes which, the director asserts, were shown to be successful through the early Title I programs.

Several sections of the New Mexico Education Standards (NMES) are devoted to vocational education. Many of these provisions are, according to an official in the state vocational education unit, based on similar provisions in federal law. The NMES require high schools to offer classes in from one to five skill areas depending on enrollment. Curricula, as well as choice of skill areas to offer, are to be based on a needs assessment and to be designed with reference to learner outcomes. Each district must have a local advisory committee to identify local job needs and evaluate course relevancy. In addition, a separate council must exist for each skill development program area. Other parts of the NMES for vocational education include requirements pertaining to accountability, equipment and facilities, safety, and student follow-up evaluations. More generally, this official observed that "federal involvement has provided us with the resources to initiate new program areas and to set up remedial programs."

With special education, much of state law has been driven by the state's participation in federal special education programs which preceded P.L. 94-142. State laws and regulations were also amended in anticipation of participating in P.L. 94-142. With the decision not to participate, the legislature was prompted to infuse massive amounts of new money into special education, money which has been administered under laws influenced by federal program participation. Finally, both improved financing arrangements for special education and auxiliary services came as a result of Sec. 504-based litigation by the New Mexico Association for Retarded Citizens (NMARC). A state special education official noted that "the legislature agreed to spend lots more money in lieu of our participation in P.L. 94-142. Ancillary services are now required as a result of the NMARC litigation."[1] An LEA director of special education noted that "there were perennial fights in the legislature to remove the caps on special education funding. It didn't happen until the NMARC litigation was filed. Then, almost overnight, it changed."[1]

---

[1] In his review, the Superintendent noted, however, that the SEA "proposed ancillary service certification requirements and imposed requirements for ancillary services to be provided without court mandate."

Use of Acquired Skills and Techniques. This category of influence involves cases where the SEA has borrowed ideas or lessons learned from its participation in federal programs and applied them in other state-specific areas of interest. The section dealing with effects of federal initiatives on the SEA as an organization (Section III) describes how those initiatives contributed to major shifts in the department's way of doing business. This section presents two specific examples of how the SEA has employed newly acquired skills and learning.

As previously described, legislative demands for greater accountability, as well as the power struggle between the SEA and the division of Public School Finance, led to the development of the New Mexico Education Standards, and the related In-Depth Review for compliance with the NMES. If one considers the 90%+ state guarantee of general school finance together with the ES/ID, the oversight system includes: LEA submission of a budget to the state, state review and approval, monitoring of expenditures and "program" activities, notification of violations and requirements of corrective action, follow-up, promulgation of rules and guidelines. The program design aspects of NMES include the requirement to conduct a formalized needs assessment, the appointment of a parent advisory committee, the setting of objectives for all curriculum areas, and evaluation requirements.

The above are classic elements of federal program approaches, and several respondents confirmed the link. A senior SEA official said, "In the Standards, we move from input requirements (number of desks, number of dollars) to process standards (needs assessments, planning, evaluation). It's not that different from Title I's underlying philosophy ... The standards reflect Title I's intent." The superintendent of a large LEA observed, "Parent Advisory Councils started with ESEA, then the state required them too. Same with needs assessments. Same with so-called 'guidelines' that you find out later aren't really guidelines, but hard and fast requirements."

Imitation is also seen in the state's use of conditional funding of programs to encourage their adoption by LEAs. For example, although funds generated by the state's bilingual education weight are said not to be "targeted," per se, bilingual student ADM can only be counted if the students are enrolled in a state-approved program. Since the weights were developed on the basis of average per pupil costs for approvable programs, the LEA has little choice but to devote the amount of funds generated by the bilingual weight to bilingual programs. Here there is even a federal leveraging-type effect since our LEA interviews indicate that the funds generated by the weight are virtually never sufficient to operate programs in compliance with the state law.

---

[1] In his review, the Superintendent contended that the cap on special education funding was imposed by the legislature during the NMARC litigation and "was only removed due to the efforts of the State Department of Education and the Public School Finance Division."

Other lesser examples could be added to these. The point, however, is not to argue that the SEA has drawn on federal models just for the sake of doing so. State-level initiatives are created primarily for reasons which are specific to the state itself, and some respondents might not fully agree with the specifics of our conclusions regarding the influence of federal initiatives. Nonetheless, as the SEA has undergone change in its way of doing business, it is logical that many skills acquired from federal program involvement would be employed as appropriate and useful in effecting particular state-level policy purposes.

Compatibilities and Conflicts

The previous discussion describes the influence of state priorities on how federal programs operate in New Mexico, and how federal initiatives have influenced programs and policies within the state. Given these forces, there is a likelihood that both conflicts and compatibilities will arise as those forces operate on one another.

Evidence of particular incompatibilities between federal program provisions and state policies was surprisingly scant in our interviews. One explanation may be that state policies regarding administration of federal programs are conservative ones. In the Title I program, for example, state administrative policy is largely driven by audit concerns. Thus, the state conforms to conventional wisdom about what is acceptable. Since there is no state-level compensatory education program, there is less opportunity for direct conflicts than in states operating such programs.

If, however, the term is taken to include overall critiques of federal program approaches, conflict is more apparent. Educators at all levels in New Mexico are critical of federal programs which go beyond the specification of goals to include specification of means, in particular, the design of local programs. In response to a direct question, the State Superintendent, who is generally critical of federal involvement in education, said that he would not object to federal funding that included targeting on particular kinds of students if the design of local programs were left up to local officials. An SEA official responsible for fiscal management of federal programs noted that some federal programs had been dropped by both the SEA and particular LEAs because program design requirements were too prohibitive.

In contrast, the bilingual education area offers an example of unique compatibility. Title VII projects provide the means to train staff who can then operate programs under the state program. Title VII projects also allow for more enrichment activities and efforts to relate the bilingual program to the core curriculum, while the state program focuses more on transitional (or in New Mexico parlance, "remedial") activities. Additionally, in providing seed money grants for a finite period, Title VII does not conflict with the policy disfavoring long-term federal grants that produce "dependence" on federal funding and lock in expenditures.

In addition to discussing compatibilities and conflicts, we specifically asked respondents to discuss two other aspects of federal program involvement commonly thought to create problems for SEA administrators:

- federal programs creating offices or "franchises" within the SEA that bypass channels of authority and go directly to Washington, and
- federal requirements placing substantial administrative and paperwork burdens on the SEA.

Federal "Franchises." We found no power cliques in the SEA operating on a federal franchise base to alter mainstream department policy. The federal program staff themselves view their respective programs as being extremely valuable. However, the current anti-federal-program sentiment in the state would make any overt efforts by the federal programs' staff to use their federal power base to influence state policy counterproductive.

In general, what influence the federal program officers do exert appears to come from their relationships with LEA counterparts and the various networks and organizations created out of those associations. The Title I staff, for example, have a fairly cohesive organization aided by the state office's use of LEA staff to assist in monitoring responsibilities. The SEA's Title VII-funded coordinator of technical assistance in bilingual education has close relationships with his LEA counterparts and is credited with being influential in developing programs in the state. The development of such programs is, however, consistent with general SEA policy. What autonomy the federal program offices do enjoy in the SEA seems to depend on their not coming into conflict with the department's upper management.

Administrative Burden. We found little evidence to support the assertion that the administrative burden of federal programs is disproportionate to the funds received. Federal programs are administered by discrete and isolated offices which are supported by federal funds. There is an associate superintendent for finance and an internal auditing office that handle most of the aspects of federal programs often thought of as "burden" (getting approvals, cash flow, reporting, audits). This issue was pushed with individuals in both these offices and produced some minor complaints, but no overwhelming feeling of excessive burden. We were told that special offices for finance and audit were established because special program managers had become too autonomous, and in some cases too lax, so that a special group was needed to check up on them. Thus, the existence of these functions is not so much a response to burden as it is an effort to tighten management internally. On specifics, an official in the audit group said that Title I comparability reporting is the most time consuming (and also has the most difficult criteria to work with) of the federal education programs. The most burdensome requirements, however, were said to come from the U.S. Department of Agriculture's school lunch program (which reportedly takes up to 50% of the auditing staff's time).

Program audits (a form of "burden") were the source of several complaints, particularly by the Title I and special education offices. A massive set of Title I audits in the early 1970s resulted in the state director's spending the bulk of his time working on their resolution with districts and federal officials. Most of these audit exceptions have been resolved now, however, and the director noted that there hadn't been a Title I audit recently. The special education director was fairly eloquent in his denunciation of audits and their effects:

> The audit game takes up so much time, and you never know where [within the program] or when you're going to get the exception. We are caught between the auditors and the program people, neither of whom know what the other is doing.

He added that if you are not in Washington, you are unlikely to be sophisticated enough to understand all the ramifications of taking a particular grant. That can cause the state or LEA problems later, he contends, and the "feds don't provide any assistance or interpretation."

In general, however, the paperwork and responsibilities normally associated with the concept of "burden" are accepted as part of the deal. An SEA official said, "Our philosophy is don't take the money unless you can prove all the things you need to prove." This respondent noted that some small-size districts had found the burden to be excessive and thus refused federal money, adding however, that these tend to be the rich districts. A senior official in a small LEA said, "The state is down on our necks more than the feds, and there's no less (maybe more) paperwork we have to do for the state." A state special education official said, "Paperwork is necessary. Those who don't like it don't want to be accountable." A top-ranking LEA official echoed this sentiment when asked whether there was too much paperwork:

> Hogwash! I think it could be streamlined, but the people who talk about excessive paperwork are really saying 'I want to take the money and do whatever I want to do with it.' Many in education still haven't accepted accountability.

An LEA official involved with federal programs noted that "over time people have become more receptive and see that the intrusion is not that much. This paperwork thing is the great myth of federal programs."

Summary

Over the last decade, New Mexico's legislature passed several progressive laws affecting special needs pupils and substantially increased state funding for education. New Mexico is not experiencing severe fiscal stress. Nonetheless, concern about recurring "boom and bust" cycles cause state leaders to chart a fiscal course that is generally conservative. For example, a substantial portion of state revenues are placed in a fund to provide reserves for the future. The state participates in a number of federal categorical programs. It also receives sizeable amounts of general purpose funds from the federal government due to the amount of federally owned land, other federal activities (e.g., energy and military) and the presence of a sizeable Native American population.

Two state priorities heavily influence the administration and operation of federal programs within New Mexico. First, is the desire to avoid what respondents refer to as "dependence" on federal programs. This desire is based both on SEA officials' perceptions that federal programs are subject to unpredictable funding and policy shifts, and on an attitude that has developed in the legislature disfavoring federal program participation. The department is presently taking actions to lessen its own reliance on federal programs for operating funds, and to minimize the state's involvement generally in federal programs.

The second priority of the SEA is the desire, and the need, to be responsive to political forces in the state. Political challenges to the department in the 1970s led to a major reorganization of the department by the Superintendent and development of the New Mexico Education Standards/In-Depth Review System. Presently, the SEA is developing a number of initiatives in response to concerns in the state about basic skills, student and teacher competency, and the health of the regular program.

Despite current negativism about involvement with federal initiatives, those initiatives have had major influence in the state. Most respondents agree that the SEA's participation in the federal NDEA was responsible for its "awakening" in the early 1960s. They also agree that, since the 1970s, the department has shifted from an emphasis on technical assistance and curriculum, to an approach focusing more on regulation, monitoring and procedures. ESEA was an important source of models for the department in regulating LEAs and a source of support for staff. Nonetheless, state factors were the primary influences on specific changes in the SEA functions and its increased authority over LEAs.

We concluded that the state's participation in federal programs has served to stimulate or influence the design of state-level initiatives with purposes analogous to their federal counterparts. The federal influence is most directly seen in the areas of bilingual and vocational education. Less direct, but still significant, are federal influences from New Mexico's participation in Title I and federal programs for handicapped students (prior to P.L. 94-142).

We found few specific complaints of incompatibilities in the operation of federal and state programs in New Mexico. We found no evidence that federal program staff in the SEA operate as federal "franchises" in a way that undermines state-level programs or policies. We also heard few complaints about the administrative burden of federal programs, although respondents were extremely critical of federal auditing methods. Criticisms are voiced at all levels of the education system in New Mexico, however, regarding the ways in which the federal government pursues its education policies, particularly requirements that dictate program design. In contrast to these complaints, Title VII is seen as a program uniquely compatible with the New Mexico approach to bilingual education. Title VII funds the training of staff and program development while not (since projects are of finite duration) creating the dependence of which many in the state are critical.

In conclusion, federal and state education policy in New Mexico interact in three major ways. Federal programs are used, when convenient and useful, to accomplish particular goals of state policy (e.g., Title V, Title VII and vocational education). Second, where there is little enthusiasm for (but also little conflict with) a federal program, it is administered conservatively and with little fanfare (e.g., Title I and Title IV). Third, where there is sharp disagreement with the substance or approach of a particular federal initiative, officials in the state are not reluctant to refuse participation in it (most notably, P.L. 94-142, but also a handful of smaller programs). How a particular federal initiative ends up being classified is a function of state policymakers' balancing the degree of political support in the state for the goal of the initiative against the level of federal fiscal commitment and their perceptions about the extensiveness of the program's regulations.

NEW YORK STATE PROFILE

Richard J. Coley
Margaret E. Goertz

Introduction

New York State has a tradition of social, political and fiscal liberalism. A very industrialized and heterogeneous state, it ranks high on the expenditure and tax effort scale.[1]

Political and Economic Environment

From the early days of industrialization in the United States, New York State dominated the national economy. This dominance, however, has been slowly eroded since World War II. As other parts of the country have developed greater economic diversity and self-sufficiency, New York State's share of the nation's population, labor force and wealth have declined dramatically. In the 1970s, the state showed less than one percent growth in employment compared to a 27% increase nationally. A population loss of nearly four percent during the 1970s left the state with an older, more heavily minority, and relatively poorer citizenry. Between 1960 and 1978, New York State's level of per capita income dropped from 126% of the national average to 106%. A rapid expansion of the public sector in the 1960s and 1970s left New York State taxpayers with tax burdens that are significantly above the national average. Total tax revenues as a percent of personal income rose from 4.7% in 1964-65 to 8.0% in 1974-75.

While New York has no legislated statewide tax or expenditure limitations, economic and political pressures have led policymakers to adopt increasingly conservative fiscal policies. The 1974 recession forced the state to impose a number of cuts in state spending, while raising state income tax rates. When the economy improved in the late 1970s, Governor Carey embarked on a three-year program of tax reductions, designed to reduce the burden of state taxation. By 1980, the ratio of taxes collected to personal income had dropped to 7.5%. At the same time, state spending declined in real dollars by 10% between 1974-75 and 1979-80.

In the battle over the FY 1983 budget, which included a gubernatorial proposal to reform the state's education aid program, even legislative advocates of social spending were quiet. Their acquiescence acknowledged that the Republican-controlled State Senate, and many legislators in the Democratic Assembly, would never approve major tax increases to pay for new programs. The budget stalemate between the Governor and the legislature focused on narrow fiscal issues of balancing the budget; unlike years past, little attention was paid to broader questions of how state money should be spent in the first place.

---

[1] In 1980-81, New York State ranked second in state and local tax effort and fourth in per capita state and local expenditures. National Education Association. Rankings of the States, Washington, D.C.: NEA, 1981.

Major Themes that Shape Education Policy

Five themes shape education policy in New York State: (1) a tradition of strong financial commitment to elementary, secondary, and higher education; (2) increased competition for funds, particularly at the state level, between education and other public services; (3) a strong, autonomous state education establishment coupled with a tradition of local control; (4) the Levittown litigation which has driven most recent discussions of state education aid; and (5) one school district, New York City, that educates one-third of the students in the state.

Financial Commitment to Education. New York State has a strong financial commitment to education. In 1980-81, education expenditures of $3467 per pupil were the third highest in the country, after Alaska and Washington, D.C. In 1981-82 the state government spent $4.2 billion for elementary and secondary education, but this represented less than 40% of total education revenues. Much of the burden for supporting the education of the state's 2.9 million students is borne on the local level.

Competition for Funds. Education interests face tough competition for increasingly scarce state dollars. State education aid has declined as a percentage of the state budget over the last ten years from 36 to 26% of total expenditures, while state support of community colleges, courts and corrections, and employee fringe benefits have taken larger portions of the state budget. Yet state aid for social services (income maintenance, Medicaid, etc.) as a percent of state spending remained constant over the last decade.

A Strong State Board of Education and State Education Agency (SEA). "There is an old saying in Albany that New York State government has four branches: the executive, the legislative, the judiciary, and the State Education Department."[1] The unique position held by the SEA results from a number of factors: the constitutional and statutory independence of the Board of Regents (this point is developed later in the case study), a nearly two-hundred year tradition of leadership in education, and the prestige of the Board. (Regents in recent years have included the sociologist Kenneth Clark and political scientist Stephen K. Bailey.) Bailey et al. concluded in 1962 that "The New York Board enjoys independent executive, legislative, and judicial power of such scope as to bring into question its consonance with American constitutional principles of separation of powers and checks and balances."[2] This situation has provided the SEA with a strong base and room to maneuver when dealing with the legislature and governor. The SEA has been characterized as "well-staffed, stable, highly professional, amply funded and reputed to be a pacesetter in education."[1]

---

[1] Murphy, Jerome T. State Education Agencies and Discretionary Funds, Lexington, Mass.: Lexington Books, 1974, p.53.

[2] Bailey, Stephen K. et al. Schoolmen and Politics: A Study of State Aid to Education in the Northeast, Syracuse: Syracuse University Press, 1962, p.27.

With more than 700 school districts in the state, local control is an important issue. It is viewed, however, as meaning that districts define their educational needs within state-given parameters. In the area of school funding, this means that the state provides a financial floor for districts, but they are free to spend as much for education as their citizens choose. In the program area, local control means the freedom to design curriculum within the minimum requirements and basic standards set by the SEA. A concern expressed about the *Levittown* litigation was that it could have led to "levelling down" expenditures through capping of local district expenditures or putting limits on districts' power to negotiate teacher salaries.

Levittown v. Nyquist. During our field work, a major school finance case that could have had vast implications for school finance and special needs students was reaching its final stage. In June 1978 a trial court invalidated New York's system of financing schools in *Levittown* v. *Nyquist*.[1] The decision was upheld in October 1981 on all issues of substance by the Appellate Division, but struck down by the state's highest court, the Court of Appeals, in June 1982. Litigation began in 1974, brought by 27 low property wealth school districts and four of the state's largest cities — New York, Buffalo, Rochester, and Syracuse -- who were plaintiff-intervenors. The low-wealth districts pressed their claims on a fiscal neutrality basis. The cities charged that the state aid system discriminated against them by overstating their fiscal capacity to fund education and by failing to take into account their special needs and higher costs. They claimed that they suffered an extra drain on local revenues (municipal overburden) since they have to support a high level of non-educational services. They also claimed educational overburden because they are responsible for educating a disproportionate share of the state's disadvantaged, handicapped, and non-English-speaking pupils. Lastly, by distributing aid based on attendance, rather than enrollment, the cities claimed that the state further penalizes them for high levels of absenteeism.

Because of the urban focus of the case and because the Big Five (Buffalo, New York City, Rochester, Syracuse, and Yonkers) educate almost 37% of the state's children, the final decision could have required an overhaul of New York's system of school finance and a rethinking of categorical approaches to meeting the needs of special students. A Special Task Force on Equity and Excellence in Education, established jointly by the Governor and Board of Regents, made recommendations in February 1982 that would cost the state an additional $300 million to one billion dollars in aid to elementary and secondary education. No one knows at this point what political impact the eight-year-long litigation and subsequent study commission will have on future state education aid decisions.

---

[1] Murphy, Jerome T. *State Education Agencies and Discretionary Funds*, Lexington, Mass.: Lexington Books, 1974, p.60.

[2] *Levittown* v. *Nyquist*, 94 Misc. 2d 466, 408 N.Y.S. 2d 606 (Nassau County Sup. Ct. 1978a).

New York City. New York City, while enrolling about one-third of the State's students, enrolls over half of the low-achieving, almost 85% of the bilingual, and almost 40% of the handicapped students attending school in the state. The size of this district, its decentralization into 32 community school districts, and its history of ethnic and bureaucratic politics, have made the administration of state and federal programs by Albany staff difficult. In the past, state administrators have viewed the New York City school system "as a hopeless mess whose problems and complexities are to be avoided as much as possible."[1] The state has difficulty extracting from New York City data that they need for program evaluations, and the relationship between the SEA and the city is strained over the city's seeming inability to identify and serve all of its handicapped students.

Education Policy in New York State

How the Schools Are Financed

In 1981-82 New York schools derived 3.8% of their support from the federal government, 40.2% from the state government, and 56% from local sources.[2] State support has dropped about four percentage points since 1970-71.

In 1980-81, almost $4 billion was distributed to school districts through about 25 different aid formulas. Table 1 summarizes these aid payments. The major special formulas -- compensatory education, special education, etc. -- are described in their respective sections of this profile. The operating aid formula, established by the legislature, is termed a two-tier percentage equalizing formula. This formula distributed about $2.8 billion in 1980-81, or a little over 70% of total state aid to elementary and secondary education. Each year the legislature defines the "ceiling" expenditure in which the state will share and state aid is determined by the wealth of a school district relative to the state average wealth, and by the educational need of the district.

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972, p.351.

[2] Adams, E. Kathleen. A Changing Federalism: The Condition of the States, Denver, Col.: Education Commission of the States, 1982.

Table 1

Summary of New York State Education Aid Payments, 1980-81a

	Amount (in millions)	Percent
Equalization and Other General Aid	$ 2,853.86	72.3%
Operating Aid	2,806.15	71.1
Low Income Aid	27.72	0.7
High Tax Aid	19.99	0.5
Pupil Need Based Aid	297.19	7.4
Excess Cost for Handicapped (Public and Private)	240.32	6.1
Categorical Reading/Academic Aid	15.00	0.4
Improving Pupil Performance	10.00	0.3
Prekindergarten Programs	9.46	0.2
Education of OMH/OMR	8.45	0.2
Diagnostic Screening	5.13	0.1
Education of Native Americans	5.42	0.1
Bilingual Education Aid	1.91	0.0
Gifted/Talented	1.50	0.0
Pupil Support Aid	437.98	11.1
Transportation Aid	369.70	9.4
Textbooks	51.30	1.3
Lunch/Breakfast Programs	16.98	0.4
Programmatic Aid	105.14	2.6
BOCES (including Facilicities and CVEEB)	95.46	2.4
Special Services Aid	5.87	0.1
Adult Education	3.81	0.1
Other Categorical	270.07	6.7
Building Aid (including BANS)	213.59	5.4
Aid to Cities	23.05	0.6
Reorganization Incentive Aid	4.60	0.1
Other	23.41	0.6
Total Aid	$ 3,949.29[b]	100.1

[a] Payments from appropriation for General Support for Public Schools and from additional appropriations affecting public schools.

[b] Total Aid includes $9.54 million reduction for Section 4407 Deduction and Refund Credit. Therefore Total Aid figure will be less than the sum of the programs listed.

Source: New York State Division of the Budget, Education Unit. Description of 1981-82 New York State Executive Budget Recommendations Relating to State Support for Public Schools (January 20, 1981).

Districts are also guaranteed a flat grant of $360 per student; are eligible to receive growth aid if attendance rises; and are protected from aid losses by special aid guarantees. Other aids include low-income aid, high tax aid, transportation aid, building aid, Boards of Cooperative Educational Services (BOCES) aid, and special services aid for districts not eligible to participate in BOCES.

The major state education programs for special needs students in New York are special education, compensatory education, vocational education, and bilingual education. The state receives federal funding for compensatory education, special education, vocational education, bilingual education, and grants under Titles IV and V of the Elementary and Secondary Education Act (ESEA) and Title IV of the Civil Rights Act (CRA). Table 2 shows state and federal support for the major programs.

Table 2

State and Federal Program Funding Levels, 1980-81
(millions)

	State	Federal
Compensatory Education	$ 150	$ 223
Special Education	236	46
Vocational Education	65	54
Bilingual Education	2	21
Titles IV and V	—	20

State aid for special education has grown tremendously over the last five years or so, while both compensatory and bilingual education aid have remained relatively level. Special education aid grew from $68.5 million in 1975-76 to about $240 million in 1980-81. Compensatory education, over the same period of time, increased only about $10 million to its current level of about $150 million. Bilingual education aid under Chapter 720 amounted to about $1.7 million in 1975-76 and in 1980-81 totalled only about $2 million. With the incorporation of a new weighting for bilingual students in the operating aid formula, such aid almost doubled in 1981-82. Also, the state's compensatory education program allocates about $8 million to provide compensatory education in a bilingual mode.

Compensatory Education

Because New York responded to the federal involvement in compensatory education with similar state initiatives, a chronology of how the federal and state programs developed and intersected is important. Compensatory education gained legitimacy in New York State with the passage of Title I in 1965. Shortly thereafter, New York developed the Pupil Evaluation Program (PEP) tests to identify students with the greatest needs for Title I aid. Title I money funded the development of the PEP tests, although the use of federal funds for that purpose was later prohibited. In 1968, the state developed its first compensatory education program -- Urban Aid. That year about $50 million was appropriated by the legislature for about 30 school districts selected on district size and concentration of low-achieving students as determined by PEP tests. Almost 85% of the aid went to New York City.

The Urban Aid program had two purposes from the perspective of the legislature and the SEA. The first was to experiment with community participation in educational decision-making and the second was to experiment with unrestricted planning and implementation activities to focus resources on specific problems. Because community participation was a failure, the SEA focused on the implementation of experimental and innovative programs. From 1970 to 1972, results demonstrated that certain programs, in-service training techniques, and organizational structures could be effective. (Achievement data improved, and LEAs showed that they could take control.)

The idea that the success of urban education programs could be shared by other school districts coupled with demands for increases in state aid resulted in the development of the Pupils with Special Educational Needs (PSEN) program in 1974. The PSEN program also responded to the recommendation of the Fleischmann Commission that the state assume a greater responsibility for insuring that the needs of educationally disadvantaged students were met.[1] PSEN is intended to provide compensatory education to children who score below a certain reference point on the PEP tests. PSEN also provides such services bilingually. The program was first administered by a new office created in the SEA -- Education of Disadvantaged Children Office -- and reported to the same Assistant Commissioner as the Title I office. The regulations promulgated by the Commissioner were designed to make the program complement and be consistent with Title I. Basically, the same pupil selection criteria were used, but PSEN regulations were not as restrictive nor as dogmatic as Title I regulations.

From 1974 to 1977 school districts operated the PSEN program under very broad state guidelines. While strings attached to the program required that funds be used for compensatory purposes, the SEA imposed few penalties on offending districts. The SEA then began to monitor PSEN programs as they monitored Title I programs. The SEA's sanction was to withhold PSEN aid. Since PSEN aid was designated as meeting the supplement/ not supplant requirement of Title I, such withholding would violate Title I's non-supplant requirement, and districts stood to lose all remedial aid. Meanwhile, a few legislators began to complain about PSEN monitoring because they viewed that aid as a general apportionment. It should be noted that the legislature's purpose in passing the PSEN legislation was to spread remedial aid around to all districts, suburbs as well as cities and rural areas. In fact, it was taboo within the SEA to call PSEN aid either "general" or "categorical" aid. It was called "additional apportionment."

---

[1] This 18-member commission was appointed in late 1969 by joint action of Governor Rockefeller and the New York Board of Regents to report and make recommendations on the quality, cost, and financing of the state's public school system.

Discussions of merging PSEN and Title I began in 1978-79, the year that the Regents mandated remedial help for all students who scored below the state reference point on the PEP test or below competency level on any of the newly established state compentency tests. The SEA created a standard reporting system for evaluation and needs assessment. They also experimented with a combined application -- one for PSEN, one for Title I and a bridge document linking the two. In 1978-79, the SEA merged PSEN, Title I, and Migrant Offices into the Education Opportunities Programs Division. The first year of a unified application for compensatory aid was 1980-81. Simultaneously the SEA moved to make this application the Comprehensive District Plan for Remediation under Title I, PSEN, and local funds, and the basis of a three-year plan to the federal government.

While Title I and PSEN programs have been unified to accomplish the same purposes, their funding formulas are quite different. Title I funds are allocated on the basis of low-income, while PSEN funds are allocated on the basis of test results.[1] This results in a different distribution of compensatory assistance. It is estimated that $.75 of every Title I $1.00 goes to the Big Five school districts, while only $.50 of every PSEN $1.00 is allocated to those districts. Thus, the state's compensatory money is aimed at low-achieving students, even if they reside in high-income school districts. Whatever the source of the funding, however -- state, federal, or local -- districts must provide remedial help to students identified as needing it.

Table 3 shows compensatory education expenditures in 1979-80 from both federal and state sources for each program area. It also shows duplicated counts of children served. Most of the money (68% of Title I and 63% of PSEN) is spent on reading programs, followed by math (about

---

[1] Estimation of a district's compensatory education needs under the PSEN program is currently based on results of the 1974 and 1975 PEP tests that were given to the state's third and sixth grade students. The percent of children in the district that scored in the bottom three stanines on the test is multiplied by the district's combined adjusted average daily attendance (ADA) to estimate the number of children eligible for PSEN aid. District PSEN pupils are estimated as follows. If a district has 10,000 students, and 20% of its third and sixth graders scored below the state reference point, then 2,000 children are estimated to be in need of compensatory services (10,000 x .20 = 2,000). These 2000 pupils are then given an additional weighting of .25 and included in the district's count of total aidable pupil units (TAPU) and total wealth pupil units (TWPU) used in calculating general operating aid.

Table 3

Expenditures and Participants by Program Area, Title I and PSEN, 1979-80

Expenditures

	ESEA TITLE I	PSEN	TOTAL
Reading	$ 189,725,097	$ 82,304,716	$ 272,029,813
Bilingual Reading	5,450,452	2,488,451	7,938,903
Math	62,832,698	33,844,915	96,677,613
Bilingual Math	2,052,044	589,981	2,642,025
ESL	15,636,706	3,842,620	19,479,326
Writing	3,761,656	8,169,272	11,930,928
Bilingual Writing	126,776	205,446	332,222
	$279,585,429	$131,445,401	$411,030,830

Participants (Duplicated Count)

	ESEA TITLE I	PSEN	TOTAL
Reading	290,482	235,443	525,925
Bilingual Reading	16,037	6,242	22,279
Math	125,699	115,411	241,110
Bilingual Math	5,436	1,818	7,254
ESL	22,172	8,968	31,140
Writing	14,748	38,428	53,176
Bilingual Writing	271	1,917	2,188
	474,845	408,227	883,072

Source: New York State Education Department. "ESEA Title I Statistics, 1979-80. Expenditures, Participants, Staff, In-service Training, Parent Participation."

25%). More current expenditure data (1981) show an increase in PSEN funding (up to about $150 million) and a decrease in Title I (down to about $223 million).

Bilingual Education

Although New York State law does not mandate the provision of bilingual services, state aid for bilingual programs and statutes governing its use, and a number of court and OCR compliance orders have combined effectively to create a statewide service mandate. Regulations of the Commissioner governing bilingual education programs became law with the passage of Chapter 827 of the Laws of 1982, effective September 1, 1982. Districts that receive state bilingual education aid must provide programs in accordance with this statute. In 1974, the New York City Board of Education signed a consent decree with Aspira of New York, a Puerto Rican community agency. This agreement was a result of a suit, *Aspira of New York, Inc., et al.* v. *The Board of Education of the City of New York et al.* and required that the Board implement bilingual education programs in every local district in New York City for students with limited English proficiency who could learn more effectively in Spanish. Finally OCR reviews and compliance plans and later court action based on *Lau* have provided coverage for Hispanic students in Buffalo, Rochester, Newburgh, Brentwood and Patchogue and for non-Hispanic students in New York City.

Local bilingual education programs receive aid from a number of sources: Title VII ($21 million); Chapter 720 grants ($2 million); the PSEN program ($8.4 million); and weightings in the general operating aid formula ($3-$4 million). The Chapter 720 program, which New York State started in 1973, provides LEAs with competitive grants to incorporate bilingual education into the district's overall educational system. In 1974 the PSEN program provided districts with another source of bilingual support. Pupils excused from taking the PEP test because of language problems are included in their district's PEP percent for purposes of calculating state compensatory education aid. Districts then use these funds to operate bilingual remedial programs. Finally, in 1980-81, a .05 weighting for LEP students was incorporated into New York State's general operating aid formula. Only students enrolled in approved bilingual education programs are eligible for this aid. Nearly 100,000 students receive this additional weighting.

Civil Rights

New York State has state laws banning discrimination on the basis of race and sex. The Commissioner has substantial quasi-judicial powers with regard to discrimination in LEAs, and can (and has in eight cases) order an LEA to desegregate in response to complaints from within the district.

Civil rights responsibilities are scattered throughout the SEA and appear to be assigned by program area. For example, Section 504 is administered by the Office for Education of Children with Handicapping Conditions (OECHC), and Title IV National Origin by the Bureau of Bilingual

Education. The Office of Occupational and Continuing Education has separate sex equity and civil rights compliance units for vocational education programs. The Division of Intercultural Relations, housed in the Office of Elementary, Secondary and Continuing Education Planning, was established in the 1950's in response to state law, an early Fair Practices Law. This Division has responsibility for Title VI laws on race, Title IV race and sex grants, and the Emergency School Aid Act (ESAA).

Special Education

New York has been a leader in the provision of special education since 1867 when the State School for the Blind was founded in Batavia. State aid for special education, state-supported schools, and multidisciplinary committees on the handicapped date from the 1950s. Specific provisions addressing the responsibilities of school districts for special education are contained in Article 89 of the Education Law. Although some sections of that law date to 1910, its major provisions stem from amendments enacted in 1976 and 1980. Chapter 853 of the Laws of 1976 brought New York State in line with P.L. 94-142, requiring that handicapped children receive a free and appropriate education and setting forth both state and local responsibilities for the education of handicapped children. The 1980 amendments provided for program funding based on excess cost and made other minor changes.

New York recently recodified its rules and regulations pertaining to school district compliance with both state and federal statutes. The SEA found that many children's classifications, based on medical categories, did not appropriately match their educational needs. The new regulations, therefore, base placement on a child's needs as determined by the level of functioning.[1] The regulations also attempt to improve public understanding of the concept of least restrictive environment. They define good special education practices and place these practices into a continuum of services ranging from regular classroom to residential hospital. Also included in these regulations is a new two-step individualized education program (IEP). Phase I helps Committees on the Handicapped (COH) define needs and placement; Phase II helps parents and teachers develop instructional programs based on these needs.

---

[1] The new regulations require that children be placed in special education classes according to similarity of needs regardless of classification. Similarity of functioning is documented by defining (1) level of education achievement; (2) social and emotional needs; (3) physical development; and (4) classroom management needs.

The bulk of state support for special education is provided through an "excess cost" formula within the general operating aid formula.[1] In addition to excess cost aid, districts receive aid of $8 per pupil to assist them in providing screening programs in grades K-3, "high-cost" aid for children whose actual program costs are greater than $10,000 or four times the average expenditure per pupil, and separate private school aid. The count of handicapped children also affects the distribution of general operating aid to LEAs by its inclusion in the weighted pupil count used to measure school district wealth.

In 1980-81, the state provided about $236 million in special education aid. An estimated 186,903 students received special education services in 1979-80: BOCES served about 27,700 handicapped students; 147,600 were served in their own school districts; and about 12,500 children were served in other state agencies and institutions. Federal special education aid, which was $46 million in 1981-82, has tripled since 1976-77.

Vocational Education

New York State serves nearly 750,000 vocational education students through secondary, postsecondary and adult occupational education programs, delivered through school districts, Boards of Cooperative Education Services (BOCES), proprietary schools, and postsecondary institutions. Two offices in the SEA share responsibility for the administration of occupational education programs and services, the Office of Occupational and Continuing Education and the Office of Higher Education Services.

Total public high school enrollments in occupational programs in New York State increased from 350,000 in 1971-72 to 451,000 in 1977-78, and then dropped gradually to 388,000 in 1980. BOCES enroll about 15% of secondary occupational education students, the Big Five around 35%, and the remaining 50% receive services from their local school districts.[1] BOCES primarily provide "expensive" vocational education programs -- those requiring a large investment in equipment -- while the less capital-intensive programs are usually provided in the students' home high schools. Thus, most of the enrollment in trade, industrial and service programs and in health occupations outside of the Big Five districts are in BOCES, while few of the enrollments in business and office education programs are in these centers.

---

[1] The formula multiplies three variables in the calculation of aid: (1) A weighted pupil count weights children according to their placement. The value of the weights is derived from a New York State Education Department study of costs for special education. The weights are: 1.7 for special class (e.g., 60% or more per day in a special program); 0.90 for resource room services (e.g., 20% or more a week in a resource room or special services); 0.13 for special instruction (e.g., more than two periods a week in speech or other special services). The pupil count used is handicapped pupil attendance in the base year or for New York City, attendance for April, May and June. (2) A measure of expenditure per child serves as a proxy measure of district excess cost per child. The measure is the district's total approved operating expense divided by the district weighted pupil count plus the weighted handicapped pupil count, with a minimum value of $1,600 and a maximum of $2,100. (3) An aid ratio equalizes allocations according to district property wealth. This ratio is also used for equalizing general operating aid and is based on total property valuation divided by total weighted pupil count, but has a minimum value of .25.

Funds for vocational education come from federal, state and local sources. About 10% of all occupational education funds are provided by the federal government, 12% by state government, and the remaining 78% raised by local governments. Slightly more than 40% of federal vocational education aid is distributed to public school, secondary education programs: $18.5 million to LEAs (including the Big Five) and $4.5 million to BOCES. These funds are allocated using the following process. The state calculates an "index of need" for each of the three agency types -- BOCES, LEAs and postsecondary institutions. This index is used to determine their maximum entitlement. Each agency submits a program proposal that is reviewed by the SEA for the requisite statutory factors and program quality. Proposals for the handicapped and bilingual are reviewed by those bureaus for substance. Those program proposals that survive these reviews are ranked according to their relative need, and funds are distributed in the order of the rankings until they are exhausted.

This method has been used since 1980. Prior to this time, funds were allocated to the 13 planning regions in the state according to an index of relative need, and agencies within each of these regions had to compete for funds. The federal government objected to this regional allocation scheme, however.

State vocational education funds are distributed to component school districts of BOCES (BOCES Aid) and to the Big Five school districts (Special Services Aid). No special aid is provided to LEAs that run occupational education programs in their own districts (e.g., business education programs). Of the $65 million in state vocational education aid distributed in 1981-82, $55 million went to BOCES participants, and $10 million to the Big Five. The former set of LEAs receive a portion of their "approved expenditures" for BOCES vocational education services, based to some extent on their relative wealth. (The average district receives 46% of total expense and 71% of approved expense.) Special Services Aid is less beneficial; it is estimated that New York City is given only 13% of total costs in state aid.

---

[1] The Big Five are ineligible to join BOCES.

Title IV-B and IV-C and the Block Grant

In 1981-82, New York State distributed $12.7 million in Title IV-B funds to LEAs. The allocation formula for the last three years was based on enrollment (70%), special needs as measured by PEP tests (25%), and high tax effort (five percent). The program is administered by the Bureau of School Libraries in the Office of General Education and Curricular Services, although overall responsibility for the coordination of the Title IV program is located in the Office of Elementary, Secondary and Continuing Education (ESC) Planning and Support Services.

The Bureau of School Libraries came into existence with the old ESEA Title II program. It reviews applications for Title IV-B funds, evaluates district programs and provides technical assistance through regional workshops, publishes a Planning Guide, and works with appropriate curriculum staff within the SEA. Ten of 12 professional staff are federally funded; it is estimated that next year the staff will drop to seven positions, five of which will be federally supported. The Bureau has tried to insist on an instructional focus in the programs they fund, to have LEAs go beyond just buying books (e.g., use IV-B monies to develop a history curriculum). Lately, however, the fiscal environment has forced districts to use these funds to buy basic items. According to the IV-B director, when the federal government dropped the supplement, not supplant, requirements from the program, fiscally strapped districts only bought books or projectors. One-third of the Title IV-B funds allocated in 1981-82 were used by LEAs to purchase microcomputers.

The primary goal of New York State's Title IV-C program for the last five years has been "transferring success;" federal dollars are used to fund the development and validation of exemplary programs and to disseminate the results of these programs "to encourage the spread of new ideas." Last year nearly 25% of the funds supported the Resource Allocation Plan (RAP).[1] Other priority areas for IV-C grants were dropout prevention, gifted and talented programs, pre- and in-service training, and handicapped education. Title IV-C and the National Diffusion Network are administered by the Office of Federal Demonstration Programs in the Office of ESC Planning and Support Services. Staff size has dropped from a high of nine to five and one-half professionals. The office also relies on regional resource persons and Optional Educational Program (OEP) representatives to assist in the dissemination of IV-C programs.

New York State will receive $31.2 million in Chapter 2 funds. LEAs will receive their full 80%, or $25.1 million. The state share will be divided into two portions: $1.6 million for state-administered local assistance programs and $4.5 million for state activities. The 40-person Chapter 2 Advisory Committee was comprised of representatives of public and private elementary and secondary school children (4), classroom teachers (7), parents of school children (4), local boards of education (7), local and regional school administrators (6), institutions of higher education (6), and the state legislature (2), as well as four general members.

---

[1] See Page 32 for a description of this program.

The LEA allocation formula resembles the state's education equalization aid formula, but uses more urban-oriented pupil counts (average daily membership (ADM), higher PSEN weighting, and a PSEN concentration factor) and makes provision for additional aid to sparsely populated rural school districts. The formula initially included a one-year "save-harmless" provision so that no district would receive less than 20% of its aggregate award in 1980-81. This provision, designed to cushion the impact of Chapter 2 on districts with large ESAA grants, was rejected by the Office of General Counsel, U.S. Education Department, but the SEA was able to negotiate an agreement with that office. In addition to the monies distributed directly to the LEAs, the SEA will allocate an additional $1.6 million on a competitive basis to fund programs advancing goals of four state priority areas: library and other learning resources, school practice improvement (RAP), training of education professionals and voluntary school desegregation. An additional $500,000 of carry-over funds will be allocated on a competitive basis to these four activities with desegregation and RAP as top priorities.

Title V

A 1974 study found that New York used its Title V funds "for rather mundane projects (e.g., filling personnel gaps), as contrasted with efforts designed to bring about significant organizational change."[1] SEA managers indicated that Title V dollars are still used to support on-going operations of the department and statewide testing programs. As a result, discretionary dollars for innovation in program areas have come from Title IV-C and from set-asides such as the Vocational Education Act (VEA) Subpart 3.

A review of current Title V planning documents shows that the specific activities supported are fairly traditional ones. For example, under the rubric of SEA planning and management is funding for: the data collection activities of the Information Center on Education; personnel within the Office for Policy Analysis, the Office of Counsel and the Office of Public Information; and the activities of the department's Office of Federal Relations. Assistance for instructional programs focuses on the development of new curriculum guides and revisions of existing ones, and on participation in the development of content-specific assessments in traditional subject areas, rather than on the planning and evaluation orientation found in the Title IV-C RAP program.

The SEA as an Organization

The New York SEA has been characterized as a "sophisticated, stable, amply-funded agency with a long history of leadership in education."[2]

---

[1] Murphy, Jerome T. State Education Agencies and Discretionary Funds, Lexington, Mass.: Lexington Books, 1974, pp.67-69.

[2] Ibid., p. 53.

In this section we examine the impact of federal programs on the structure, functions and capacity of this agency, and on its relationships with local school districts.

Size and Structure

The New York State Education Department is large, professional, and well staffed. It employs over 3,500 persons, 954 of whom work in the Division of Elementary, Secondary, and Continuing Education (ESC). Currently about 51% of ESC staff are federally funded, ranging from four percent in District Services to 70% in Special Education and Occupational and Continuing Education. Because federal funds were off-budget items until 1981-82, the growth in ESC staff attributable to federal programs cannot be traced. However, Berke and Kirst noted that in 1960, the entire SEA had 2000 staff, with fewer than 100 federally funded positions.[1] Thus, federal funds account for about 400 of the 1500 new positions created in the SEA between 1960 and 1980.

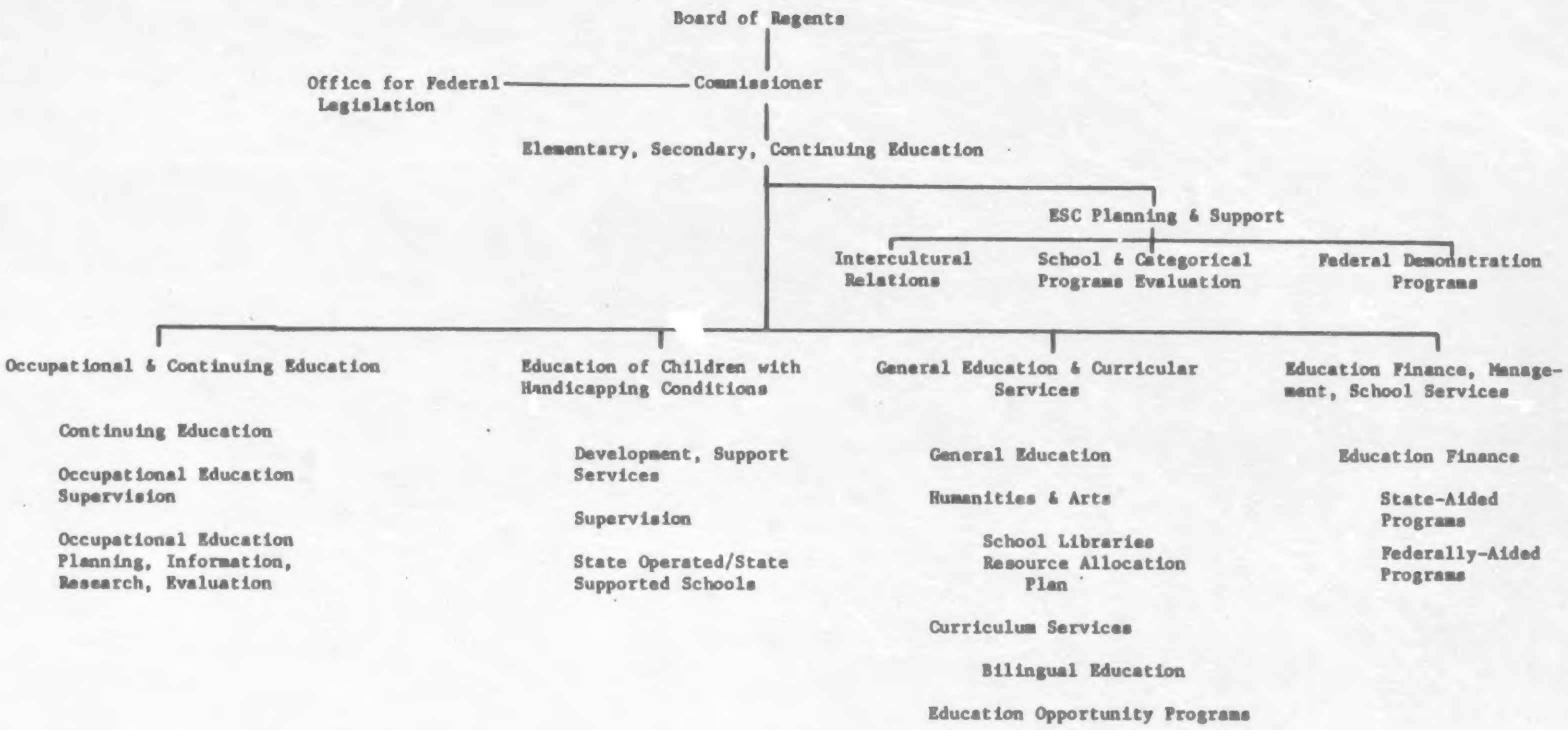
The organizational structure of the SEA undergoes changes every few years. Most of the reorganization has been relatively minor, reflecting what one respondent characterized as "minor adjustments to traumas the SEA is going through." The organization of the SEA that pertains to the administration of state and federal special needs programs in Spring 1982 is shown in Figure 1.[2] The Office of Occupational and Continuing Education administers and evaluates federal and state vocational education programs. The Office for Education of Children with Handicapping Conditions (OECHC) processes applications for federal aid, monitors programs in public and non-public schools, and conducts training, develops and disseminates products, etc. Bilingual education and compensatory education units are housed in separate units in the Office of General Education and Curricular Services, and the Bureau of School Libraries administers the state's Title IV-B program. Evaluations of compensatory education, special education and bilingual education programs are designed and conducted by the Bureau of School and Categorical Programs Evaluation in the Office of ESC Planning and Support Services. That Office's Division of Intercultural Relations administers several civil rights programs, while the Office of Federal Demonstration Programs is responsible for Title IV-C activities. The Division of Educational Finance in the Office of Finance, Management and School Services reviews budgets for federally funded programs and is responsible for implementing the state's education aid formulas.

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972.

[2] The SEA was reorganized in September, 1982. An SEA official reported that the reorganization does not represent any significant changes in the administration of state and federal programs for special needs students.

Figure 1


Board of Regents
Office for Federal Legislation
Commissioner
Elementary, Secondary, Continuing Education
ESC Planning & Support
Intercultural Relations
School & Categorical Programs Evaluation
Federal Demonstration Programs
Occupational & Continuing Education
Continuing Education
Occupational Education Supervision
Occupational Education Planning, Information, Research, Evaluation
Education of Children with Handicapping Conditions
Development, Support Services
Supervision
State Operated/State Supported Schools
General Education & Curricular Services
General Education
Humanities & Arts
School Libraries Resource Allocation Plan
Curriculum Services
Bilingual Education
Education Opportunity Programs
Education Finance, Management, School Services
Education Finance
State-Aided Programs
Federally-Aided Programs

Source: New York State Education Department, Office of Administrative Services. Organization Chart, August 1981.

For purposes of our study, the following structural trends should be noted. First, programs for educationally disadvantaged children moved from their own division under their own associate commissioner for urban education (1968) to a unit within the office of General Education, and federal and state compensatory education programs were subsequently merged in 1979. (See the section on Compensatory Education programs for the history of this change.)

Second, the SEA has always had separate divisions for special education, vocational education and general education, although at one point in time they all reported to the same associate commissioner. Some of these divisions have changed internally, however, over the last five years. For example, one respondent noted that although the size of the vocational education division has remained relatively constant, shifts have occurred within those numbers. The creation of sex equity and the Methods of Administration (MOA) units, and the growth of information development and program development units, have resulted in staff increases; concomitantly, traditional curriculum units have lost staff.

Third, although separate offices administer federal programs, responsibilities for subject-matter review, resource allocation, auditing, and evaluation are spread throughout the SEA. For example, while the Division of Equal Educational Opportunity Programs administers the state's compensatory education program, monitoring is shared by this division and four content area bureaus -- reading, English, mathematics and bilingual education -- while programs are evaluated by the Bureau of School and Categorical Programs Evaluation.

Functions and Capacity

This team approach to monitoring reflects in large part a history of well-qualified staff working on a wide range of activities. A 1971 SEA report stated that "we have the most comprehensive education department in the nation, with specialists in every field of education... [M]any of our staff members are nationally recognized leaders in their fields of specialization."[1] It was further noted by one SEA official that the New York SEA had, in 1965, "more than half of the subject matter specialists employed by all SEAs in the country."[1] These staff members were selected, however, not only for their credentials as professional educators, but for their experience working in schools and their ability to understand the problems of, and work with, local school district personnel.

---

[1] Murphy, Jerome T. *State Education Agencies and Discretionary Funds*, Lexington, Mass.: Lexington Books, 1974, p.58.

[2] *Ibid.*, p. 60

These staff qualities have affected the way in which the SEA has responded to federal programs. First, as noted above, Title V funds were used to support on-going activities, activities that were initiated in other states using federal funds. Second, program administrators had a tradition of deferring review of proposals and evaluations to subject-matter specialists within the department. Therefore, when Title I was implemented in the state, the "actual responsibility for allocation decisions was spread through the department in the same pattern of operation that existed prior to federal funding."[1] This tradition helps to explain the on-going involvement of content area bureaus in the review of federal education program applications. Finally, program administrators were used to spending a great deal of time consulting with their peers in the local districts, and they relied "on consensus and individual school-by-school negotiations" in implementing their programs.[2]

Both the functions and capacity of the SEA have changed since the advent of major federal aid programs in the 1960's, however. For example, although New York State was considered a national leader in the areas of research, planning and evaluation prior to ESEA, these activities were focused on the areas of curriculum, teacher training and administration. The evaluation requirements of Title I led the SEA to develop models of effective evaluation and to focus for the first time on programs concerned with the educationally disadvantaged. Interviews also indicated that the role of planning within the SEA has become more significant since the mid-1970s. We were told that several policy shifts made by the Regents (e.g., Regents' testing program, high school registration, and the Resource Allocation Plan) reflected input by planners utilizing new data analysis capabilities, new management systems, or position papers outlining new directions.

Emphasis within the SEA has shifted from traditional curricular areas to procedures. Some of the shift can be attributed to federal program requirements. For example, the Department has become "hard-nosed about regulatory issues," especially in the areas of special education and civil rights. Other changes in emphasis, however, reflect state priorities in basic skills, high school registration, youth employment, continuing education, economic development, and gifted and talented students. While the SEA continues to update curriculum guides in the areas of science and mathematics, the department is also developing a model curriculum in the new field of global education. In providing technical assistance in many of the traditional instructional areas, the

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972, p. 347.

[2] Murphy. Op. cit., p. 59.

SEA now emphasizes comprehensive planning rather than advice on curricula. Examples of this approach are seen in the state's RAP program, which addresses basic skill areas, and in its revision of the vocational education curriculum -- now based on an "hierarchy of skills" rather than individual subject areas.

Intergovernmental Relationships

The New York SEA appears to enjoy an "independent actor" status in its relationship with the federal government because of its size and political power. In the early days of Title I there was "day-to-day contact between title administrators and their counterparts in USOE ... and Washington contact on major policy matters between Nyquist [then Deputy Commissioner] and the USOE Commissioners."[1] We saw no reason to conclude that those relationships changed during the 1970s. For example, when the SEA administratively merged Title I and PSEN programs, SEA administrators dealt directly with senior federal program staff. Additionally, the SEA/Board of Regents sends a report -- "Federal Legislation and Education in New York State" -- to Congress every year. This "Regents series" highlights a number of issues related to revisions of federal statutes and appropriation items of particular interest to New York. The SEA also has an Office for Federal Legislation that lobbies in Washington.

The relationship and management style of the SEA with regard to LEAs has changed over the last ten years or so. While the primary role of the Department was technical assistance and service, it is now one of monitoring and evaluation (testing programs, graduation requirements, high school registration, civil rights, remediation mandates, bilingual education). In special education, the SEA is particularly compliance-oriented. The OECHC has been in a protracted battle with New York City over waiting lists and other special education management issues. The SEA has withheld federal funds from the city and continuously monitors it. Although finding the SEA compliance-oriented, most local districts perceive some degree of flexibility in how they can comply. "They [SEA] will call you on the regulations, but innovation is acceptable." LEA staff meet routinely with the programmatic Regional Associates (monitors), finding them reactive, but also helpful and flexible. As one respondent noted, "Help from the [SEA] is always just a phone call away."

The Resource Allocation Plan (RAP) is an example of a new collaborative relationship that the SEA is trying to establish with local school districts. RAP was begun in the summer of 1978 in anticipation that a large number of students might fail the new Regents Competency Tests and not be permitted to graduate from high school. RAP and a companion Regents New York City Project were established by the SEA's using Title IV-C money as a stimulus to help schools in improving pupils' achievement in basic skills. SEA staff, called department representatives (DRs), have been assigned responsibility for working with specific schools and districts for an extended period of time. Collectively, they have helped LEAs organize and analyze data on pupil performance, clarified the nature of the problems they face, identified alternatives available to address these problems, and then worked with relevant SEA offices to arrange for technical assistance. The DRs are generally staff drawn from curricular areas within the department who have been trained as facilitators and change agents; they spend from 25 to 100% of their time on these activities.

---

[1] Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972, p.349.

DRs have brought the attention of many districts to funding opportunities under Title II-B and Title VII. The largest source of temporary additional money for basic skills activities, however, has been Title IV-C. The SEA has issued RFPs for projects consistent with the goals of RAP, and most of the districts that have DRs have successfully competed for these grants. Title IV-C monies have also been used to promote the concept of "multi-district consortia," where districts can explore how they can use the BOCES structure to meet the goals of RAP.

The SEA's priorities and the way it goes about accomplishing them are reflective of, and tempered by, the broader political environment in which the SEA operates. The state political environment, as it affects and relates to the interaction of state and federal education programs, is described next.

The Political Environment of Education Policymaking

The political environment of education policymaking in New York is shaped by the interaction of a strong legislature, fragmented special interest groups, a strong SEA, a tradition of local control, and the state's education priorities. Each is considered as it relates to the administration of federal and state special needs programs.

The Legislature

New York State has a strong governor, active in forming the state's political agenda. But the state also has a forceful legislature, with staff resources that give it the capacity to compete with the executive branch in developing and revising policy proposals. Although the governor is the state's most visible political leader, the legislative leaders of each house take command of New York's lawmakers on most important issues. Since 1975 at least one house of the legislature has always had a different party majority from the governor, leading to combative partisan politics. The Senate has been consistently Republican and reflects upstate interests. In education, the Senate works to maintain the status quo. The Assembly, usually dominated by New York City, has never given education the same attention as the Senate, focusing instead on issues of welfare, housing, and mass transit. It is often said that "the Senate has education and the Assembly has welfare."

Day-to-day education issues -- school management, contracting, and even competency testing -- are reviewed and reported out of the education committees of each house of the legislature, rarely involve partisan politics, and receive little attention from legislative leaders and their staff. But the education aid formula, which represents one-quarter of the state budget, is considered too important to be left to education committees alone. Instead, the leadership and the money committees of both houses take control. Because of the diversity among the 700 plus LEAs in the state, annual school aid bills have a complexity and political saliency that exceed almost any other measures on the legislative agenda. In short, the legislative design for the distribution of state aid to education mirrors the distribution of power in the legislature, rather than educational need or equity concerns.

Education aid politics divide along three lines — New York City, New York City suburbs, and upstate. For the city, major concerns are categorical programs or special student weightings, better measures of school district wealth and pupil counting methods that don't penalize them for low attendance rates. Metropolitan suburbs want to assure that their high level of tax effort is rewarded by increased state aid and to preserve the flat grant and save-harmless provisions. The upstate area, with lower tax rates and a conservativism toward government spending, seek to hold down the cost of the aid package and to eliminate or hold down required tax rates for participation in the state operating aid program.

While New York's legislature is particularly strong in education matters, it does not generally get involved in federal education programs. Until last year, the state legislature did not have the authority to appropriate federal funds; they were considered "off-budget" expenditures. A Court of Appeals ruling in the spring of 1981 (Anderson v. Regan) gave that power to the legislature, but to date the legislature has only appropriated federal funds by major program area. The feeling among the legislative staff is that as long as federal education dollars are allocated under federally determined formulas (e.g., Chapter 1, special education, vocational education) there is little the legislature can do but track the flow of these funds to the LEA level. There was little interest in the Chapter 2 formula; one respondent noted that the dollars involved were too insignificant — $31 million versus a $4 billion state education aid budget. Also, few legislators hear from their constituents concerning the administration of federal programs; these funds support a significant portion of local education budgets in the large cities only.

The legislature does, however, appear to show some concern about the independence of the SEA and the power of the Regents. There has been a lack of knowledge in the legislature about how the SEA is using flexible federal dollars. The legislature's audit arm, the Legislative Commission on Expenditure Review, recently completed an audit of the state's compensatory education program (PSEN) asserting that the SEA violated the legislative intent of the PSEN law by merging the PSEN program with Title I and using the unified program to accomplish SEA priorities. This report seems part of a general inclination by the legislature to acquire more control over the SEA and to make it more accountable.

Special Interest Groups

New York's education interest groups, while once united and influential in affecting education policy, are now fragmented and relatively ineffective. In the past, interest groups maximized their effectiveness on matters of education through membership in the Educational Conference Board and through coordination, expertise, and grass roots strength. Their annual recommendations were never ignored, seldom opposed, and usually satisfied. Teacher strikes, conflicts over racial integration, community control, deteriorating financial situations in the cities, and taxpayer revolts in the suburbs fractured this coalition of interest groups, and their proposals are now usually ignored. Teacher organizations (New York State United Teachers/United Federation of Teachers) are probably the strongest interest groups in the state and have influence on legislators in return for election support. The SEA and Board of Regents are often effective in processing legislation and blocking bills, although their role is weaker than it was 20 years ago. The other group sometimes influential in education politics is the New York State School Boards Association (NYSSBA). Legislators generally regard local school board members as important local constituents.

Urban interests, led by the New York City Board of Education, include the Citizens' Union, United Parents Association, Public Education Association, and the Conference of Large City Boards of Education (Big Five) which submits annual state aid proposals. In response to the urban forces, a new Rural Schools Association has emerged to represent small and sparsely populated school districts. Two groups active in the debate over school finance reform are the Association of Flat Grant School Districts which wants no school finance reform, and the Coalition on School Finance Reform, which presses for reform on the basis of Levittown claims.[1] Other groups are active in lobbying for specific legislation. These include handicapped education advocates who watch out for handicapped programs and administrator organizations who lobby for job security.

For the most part, education interest groups do not appear to be involved in federal education programs in the state. Exceptions may be the bilingual lobby in the state and the many special education constituencies. Federal activities in bilingual education appear to have strengthened the state bilingual lobby and given it a more powerful effect on state policy. Also, bilingual education staff in the SEA view themselves as advocates and participate extensively in policy development across the SEA. In special education, a litany of special education advocacy groups probably have had some effect on allocation and programmatic decisions, at least in terms of the state program. For example, considerable opposition by parent and special education advocacy groups and by other education interest groups to the new state special education regulations (Section 200) resulted in action by the Regents delaying their effective date one year and providing for further evaluation and more consultation on the proposals.

---

[1] See discussion on Pages 4 and 5.

Other Actors

While New York's Governor is active in education policymaking, especially through the budget office which develops annual state aid proposals and federal aid appropriations, the chief executive does not appear to be involved in federal education programs. Reasons cited earlier for the lack of legislative involvement in federal programs probably apply here also. The Board of Regents does seem to get involved in federal education issues, however. They lobby Washington, sending annual recommendations on key statutory, budget, and regulatory issues in education to Congress.

SEA Leadership in Relation to the State Political System

The constitutional and statutory independence of the Regents, a nearly 200-year tradition of leadership in education, and a well-staffed, professional SEA have combined to provide the state educational leadership with a strong base and room to maneuver with the legislature and the Governor. The Board of Regents, established in 1784, is composed of 15 members who serve seven-year terms and are appointed by the legislature. They are responsible for nursery school through postgraduate education and for professional licensure, libraries, the state museum, and vocational rehabilitation. They and the Commissioner of Education (who is appointed by the Regents) have quasi-judicial powers and legislative and executive responsibilities. While historically considered "above politics," over the last ten years or so partisan political considerations have affected Regent selection.

The Commissioner of Education and the SEA are responsible for implementing Regents' standards. Serving at the pleasure of the Regents, the Commissioner is responsible for educational planning and enforcing and implementing regulations. In 1979, for example, the Regents mandated remedial instruction for all students falling below a certain reference point on the state PEP test or failing a state competency test or its equivalent. The Commissioner then issued regulations and policies to insure that LEAs met the Regents' mandate. The SEA does strategic work with legislative committees, reports on bills, mobilizes support from government officials and other groups, and prepares the Regents' annual state aid proposals. The SEA usually recommends increased education spending and equalization of resources among the state's LEAs. While the Commissioner and SEA are important elements in educational policymaking, it is the legislature and the Governor who play the more powerful roles.

Thus, the legislature and the Governor, reflective of the political environment in which the SEA operates, set the parameters for SEA policymaking. Where there is goal congruence between the SEA and the political environment, e.g., basic skills, the SEA is free to exercise its authority and pursue its goals. Because the SEA is generally astute in assessing the political winds, confrontation with the legislature and the Governor is usually avoided. The SEA/Regents have gone their separate ways on many issues, however. Progressive commissioners and a new group of urban-oriented Regents in the 1960s and early 1970s brought a different focus to the SEA's activities. Pressing for racial integration and urban aid, the Commissioner and Regents fractured many of their old allegiances in the legislature and among the upstate education associations.

Local Autonomy Norms

Local control has a particular meaning in New York, one which also applies to how the state administers federal programs. There seems to be a general consensus that local control means that local school districts define and meet their educational needs within the parameters put forth by the SEA. In the area of school finance, for example, the state provides a financial floor for districts, but they are free to spend as much for education as their citizens choose. In the program area, local control means the freedom to design curriculum within the minimum requirements and basic standards set by the SEA. As the SEA's requirements expand, however, districts see some of their control slipping away. One respondent felt that the SEA's minimum competency thrust was impinging on local control since before that time districts were "pumping a lot of dollars into educating better students."

A similar situation exists with regard to federal programs. While the SEA adapts federal programs to its own priorities (compensatory education and basic skills) and is somewhat regulation-oriented, it allows local districts flexibility in designing compliant programs. This applies to a lesser extent in special education where the SEA office is in business to see that federal and state legal requirements are fulfilled. In this latter situation, and in part because of the prescriptiveness of the federal law, it appears that local school districts are much more restricted in their activities and fear a loss of control.

State Priorities and Institutionalization of Services to Target Populations

The evidence in New York State appears to indicate that there is much goal congruence with the federal government in the area of special needs students and that commitments to these students appear to be institutionalized at the SEA and in the state legislature. New York's tradition of social, fiscal, and political liberalism has led to commitments to civil rights issues and to special student populations. The primary protections afforded special needs students are state mandates in the areas of special education and compensatory education and the Commissioner's power to order racial desegregation. While federal funds have enabled LEAs to provide a greater level of services to their students, it is the state mandates that have forced an increasingly larger share of local dollars into these services. In compensatory education, the SEA's focus on basic skills and the Regents' remediation mandate indicate a firm commitment to the educationally disadvantaged. In special education, at least where the state law exceeds federal law, all the evidence indicates a fairly secure commitment to special education as well. Because of Lau guidelines, and because of the availability of state aid for bilingual education and the state's corresponding program requirements, students in need of bilingual programs also appear to be protected.

There appears to be support in the legislature as well for federal target populations. The Hispanic lobby provides strong support for state bilingual education programs, and there seems to be significant support for the goals of the Title I program. Although the legislature probably will not pick up cuts in Title I funds, it is possible that funding for the PSEN program might be increased (as the distribution of PSEN money is much wider than Title I). Support for special education has historically been strong in the legislature. Parent and advisory groups are still vocal, particularly concerning the revision of state regulations. In response to the proposed P.L. 94-142 deregulation, the New York State Legislature adopted a resolution on May 19, 1982 petitioning federal government officials to "maintain current ... provisions" regarding handicapped children.

Administration of State and Federal Programs for Special Needs Students

The way that federal and state programs for special needs students are administered in New York State is influenced by the interaction of a number of variables. This section focuses on the impact of state education priorities and policies on the administration of federal programs and on the influence of federal policies on the development of state education programs. It concludes with a discussion of the compatibilities and conflicts that result from the interaction of federal and state policies.

State Influences on Federal Programs

Three themes help explain how New York administers federal education programs. These are:

1) a long tradition of support for civil rights;

2) a strong commitment to provide services to students with special education needs through state as well as federal programs; and

3) a history of professional relationships between SEA staff and local school districts.

The influence of state priorities on federal program administration can best be seen in the area of compensatory education. Over the last several years, the Regents have established the improvement of reading, writing and mathematics as special priorities. In 1978 the state introduced a statewide minimum competency testing program in reading and mathematics (the Regents Competency Test) and mandated that remedial help be given to all students who score below competency level on any of these tests or below the state reference point on the PEP tests.

These priorities and mandates led the SEA to consider coordinating programs for students with special educational needs. First, the department merged the administration of the Title I, PSEN and Migrant Education programs. Districts must now submit a unified application for federal and state compensatory education funds. This application also serves as the district's comprehensive plan for serving all students in need of remediation, including those with limited-English proficiency.[1] As a result of these requirements, Title I and PSEN programs have become virtually identical in operation at the local level, although a separate audit trail exists for each program. Few districts retain separate Title I and PSEN directors, and cross-training in the programs is occurring. Second, the SEA has sought to integrate remedial instruction with general instruction by discouraging the use of Title I pull-out programs at the school level.

Finally, the state has committed both its own resources and a substantial part of its Title IV-C program to the implementation of a Resource Allocation Plan (RAP). RAP (which was described earlier in this case study) is designed to coordinate major SEA activities aimed at improving the performance of low-achieving pupils, and with the involvement of SEA staff, assist schools in developing local plans to strengthen their education programs, identifying resources, and providing services to improve pupil achievement.

New York's concern with services for handicapped students has led the state to develop requirements that go beyond those mandated by federal law. For example, New York State law mandates classroom sizes; an expanded composition of the Committees on the Handicapped (to include a doctor, parent of another handicapped child and a psychologist); and a two-stage Individualized Education Program (IEP). The SEA has assumed an aggressive monitoring stance as well; respondents indicated that the OECHC is "in the business of seeing that local districts comply with federal and state special education law[s]." This office plans to visit one-third of all local school districts each year, while the Big Five districts are monitored on a continual basis. OECHC is also concerned with technical assistance. Its Bureau of Program Development conducts training, develops and disseminates products, and conducts in-service training -- activities considered valuable by several local school district respondents.

The SEA is able to undertake vigorous monitoring and technical assistance activities in all of its programs because of a history of extensive involvement in local schools by a professional staff that has been well received by local officials. Although the SEA has increased its compliance monitoring, local district staff interviewed felt that the state was trying to help districts meet state and federal regulations, rather than merely policing their behavior.

---

[1] The Bureau of Bilingual Education has the authority to disapprove, or conditionally disapprove, local remedial programs if they do not meet the needs of LEP students. These staff review all Title I/PSEN applications for the reporting of LEP students and the level and quality of services provided to them.

repeatedly that the state and SEA are committed to implementing both state and federal anti-discrimination laws. The Division of Intercultural Relations provides technical assistance to LEAs in preparing applications for ESAA grants and planning and implementing LEA desegregation plans. In conjunction with the Office of Counsel, the division investigates, holds hearings, and issues findings on discrimination complaints filed under state law. The office tries to settle complaints before they reach the formal, adversarial level. In addition, it administers about $500,000 in state funds in support of inter-district transfer programs in urban school districts. Staff in this division also work closely with OCR in Washington in developing desegregation proposals.

The impact of reductions in Chapter 2 funding was of concern to many officials. For example, Buffalo, which now receives $7 million in ESAA funds, is eligible for less than $1 million in Chapter 2 aid. The SEA has taken two steps to cushion this impact. It has proposed a two million dollar program to the state legislature for support of programs currently funded under ESAA (e.g., magnet schools), and it has proposed that the state's Chapter 2 formula contain a save-harmless provision designed to protect districts receiving ESAA grants.

A strong commitment to civil rights can be found in other divisions as well. The Division of Occupational and Continuing Education has an unusually large (21 persons) and active unit with overall civil rights responsibilities for secondary and adult occupational education programs. This group compiles enrollment data, conducts on-site compliance reviews, provides technical assistance and monitors voluntary compliance plans of subrecipients developed under the division's "Standards Governing Civil Rights in Vocational Education." The Bureau of Bilingual Education has expanded its activities well beyond the administration of the Title VII program. The Bureau's responsibilities now include reviewing remedial education plans for services to LEP students, approving local bilingual education programs, and certifying bilingual and ESL teachers.

Federal Influences on State Programs

Federal programs and policies have had a major influence on the shape and operation of state programs for special needs students in New York. In some cases, federal policies have provided both the impetus and model for the development of comparable state programs. For example, Title VII funds provided the Bureau of Bilingual Education with the resources to create a statewide network. This program supported the creation of regional offices, the publication of a newsletter, and technical assistance activities. The state's first bilingual education program, Chapter 720, supported competitive grants like those in the Title VII program. The state bilingual education law that relates to state-funded bilingual education programs is similar in purpose and substance to the Lau guidelines in areas like mode of instruction. Respondents' impressions were that the Lau model was used because the Hispanic community wanted to ensure that bilingual education services would be provided.

In other cases, the state's own programs do not imitate federal programs, but borrow many of the techniques used by the federal government in the administration of its programs. New York State's compensatory education program targets aid to low-achieving rather than low-income children. Yet the test used to select low-achievers -- the PEP test -- was developed using federal funds to identify students with the greatest needs for Title I aid. PSEN evaluation requirements are also related to Title I requirements, and a respondent noted that when the state merged the administration of Title I and PSEN, the unified application followed the Title I model.

Federal influences can be seen in the administration of other state programs as well. Although New York State's special education regulations exceed those required under federal law, the state's emphasis on compliance monitoring can be traced to P.L. 94-142. While the state initially objected to the federal requirement of developing state plans in vocational education, the SEA now views this planning process as a useful management tool. Funds from federal programs like Title IV-C have enabled the state to encourage local education agencies to pursue state priorities, such as the RAP program.

Finally, federal programs in bilingual education, compensatory education and civil rights appear to have lent legitimacy to the existence of similar state programs and set standards for what could be accomplished in these areas. For example, success with magnet programs developed with ESAA funds led the SEA to propose that a similar program be funded by the state legislature.

Compatibilities and Conflicts

The previous two sections have shown that state programs and policies influence the administration of federal programs and vice versa. It is inevitable that some of these influences will reinforce each other, and others will clash. At the broadest level, there should be no conflicts since both New York and the federal government share a commitment to services to special needs populations, the protection of civil rights, and the need to regulate local district behavior in order to meet these goals. Federal programs have reinforced and given legitimacy to state programs for special needs students and provided models for how the state should administer these programs.

In fact, few philosophic conflicts exist between these two levels of government. The major one which arose in this study concerned the allocation of vocational education funds. It was noted that the current formula for distributing federal vocational education aid (allocating funds to all local agencies based on an index of need) undermines the comprehensive delivery system that New York had developed under the previous vocational education law (which was based on 13 planning regions). In addition, it is felt that the VEA is too prescriptive in requiring how federal dollars be used, forcing the SEA to "slice the pie" so thinly that no one group fully benefits. Another philosophical difference concerns how best to deliver services to educationally disadvantaged students. SEA emphasis on planning for the total needs of children, regardless of sources of funds, has led the department to move away from pull-out programs in its administration of Title I. Yet, set-aside programs under the VEA and Title I audit requirements encourage districts to use a "pull-out" model to demonstrate provision of supplementary services or excess costs. Finally, SEA and local district program administrators questioned the effectiveness of related services and due process requirements under P.L. 94-142. It has been argued that the due process system has set up an adversarial relationship between the parents and educators, while hearing requirements cause service delays for children. A viewpoint often heard concerning related services is that education has the legal responsibility for these services, but lacks the program development resources. It has become "hard to tell where education ends and health begins."

A different set of conflicts arise when two different levels of government provide programs in the same area. The state's merger of Title I and PSEN created a number of technical problems, for example. State mandates for remediation require a schoolwide program, while Title I regulations limit the use of federal funds for schoolwide projects. New York, like California, faced the problem of how to allocate state and federal compensatory education funds without violating the Title I non-supplanting provision. The state appears to have adopted the same complex set of guidelines concerning the allocation of Title I dollars that grew out of the Richmond case in California.[1]

The structure of New York's special education law has also created procedural problems. Mildly handicapped students are served outside the special education program, and thus are not included in the official federal child count. Different placement procedures complicate federal reporting. A common complaint was that while the federal special education law was good, the regulations were written for states with less commitment to special education than New York. Ironically, most of the complaints concerning the prescriptiveness of the special education law are directed at state, not federal, regulations. Respondents from all three local school districts visited concurred that "P.L. 94-142 doesn't have much impact in New York State. It is all the state regulations."

In addition to the conflicts described above, other problems commonly associated with federal education programs were investigated:

---

[1] The Richmond case (Alexander v. Califano) found that California had technically violated Title I's supplement-not-supplant requirement because it did not distribute state compensatory education aid before allocating Title I dollars.

- Federal requirements place substantial administrative and paperwork burden on the state.
- Federal programs create offices or "franchises" within the state departments of education that bypass normal channels of authority and go directly to Washington.
- Federal requirements detract from the regular education program.

We heard few complaints about administrative burden and paperwork, although vocational education administrators questioned whether the reporting requirements of the VEA have "achieved the Congressional objective of transforming the state plan from a compliance document to a useful planning instrument." The question was also raised as to why all agencies in the state are required by VEA to participate in data collection and planning activities when only 30% of them apply for and receive federal funds. Local school districts complained about the cost of due process requirements, but state administrators did not present any evidence to support this claim. The lack of complaints about burden at the state level may be explained by the fact that one-half of the elementary and secondary education staff are supported by federal funds.

There was no evidence to support the "federal franchises" assertion, either. While we observed considerable "autonomy" in special education and vocational education, the role of federal counterparts and organizations did not appear influential. One program administrator stated that he did not attend national or regional meetings of professional organizations because they did not focus on the problems facing New York, but rather on "bringing Idaho up to Utah." While top SEA program staff deal directly with their counterparts in Washington, it is usually for the purpose of asking the federal government to respond to New York's priorities and specific needs, not to bypass state policy.

There is growing concern in New York that requirements for special needs programs are beginning to "encroach" on the regular program, especially with regard to special education. Several sources implied that "a backlash is beginning," as special education starts to take a disproportionate share of local education dollars. However, figures were not given to substantiate these claims. And so far, fiscal strains in state and local governments in New York have not caused the kinds of education cuts that would create a direct competition for funds among educational services.

Summary

New York State presents a complex environment in which to study the administration and interaction of federal and state programs for special needs students. And such a study has raised a number of paradoxes. The state was considered a national leader in the design and administration of education programs at the time of the federal government's major expansion into the field of education. Yet, SEA staff agree that federal policies improved the way that New York State delivers services to children in need of special, vocational, bilingual and compensatory education programs. The state and federal government share most of the goals underlying federal education programs, yet the different ways they administer these programs creates conflicts between them. New York complains that regulations generated by Washington are designed to "meet the needs of West Virginia," but state officials will negotiate directly with federal program administrators to get these regulations changed or waived.

In short, New York provides a good example of the robustness of the intergovernmental system. Through a process of mutual accommodation, federal purposes have been served within the context of state priorities and policies. As a result, children with special educational needs are receiving a greater level of service than could have been possible if either level of government were to have acted alone.

VIRGINIA STATE PROFILE

Terry W. Hartle

Introduction: The State Context

Virginia is a state in transition. For the first two centuries after settlers pushed ashore at Jamestown, the Old Dominion was the preeminent state in the Union. For the next 150 years, however, Virginia was wedded to the past -- a sleepy southern state that was reluctant to adopt improvements in state and local government. In 1949 political scientist V.O. Key called it "a political museum piece," and a few years later the state adopted a disasterous strategy of "massive resistance" to federal civil rights initiatives.

In the mid 1960s, however, Virginia began to modernize state government and upgrade the quality of its public services. These activities continued in the 1970s and, because of its favorable location in the sunbelt, the state's population and economy grew rapidly. In 1982, Virginia's economic growth and political evolution continues.

Virginia's history makes it an interesting subject for an analysis of federal-state interactions in education policy. For most of the 19th and 20th centuries, state officials badly neglected all public services, but especially education. The modernization of state government and the recent improvements in public services coincided with the creation and expansion of federal support for education. As a result, studying Virginia allows the investigation of several important questions: How was the growth of state aid influenced by federal policy? Did federal policy support state objectives or work at cross purposes? Was federal aid used to improve the state department of education or was it employed primarily to expand services? What were the costs and benefits of federal assistance in a state that was simultaneously expanding its own educational programs?

Before turning to an investigation of these issues, it is necessary to review some of the major contextual factors that influence education policy: the state's demography, economy, social environment, and political environment.

Demography

Geographically, Virginia may be divided into a number of separate regions. In the eastern and southeastern part of the state is the Tidewater -- a low, flat plain that includes rural regions and the large urban areas around Norfolk and Hampton. Moving to the west, is the Piedmont, which extends from the Northern Virginia suburbs to the North Carolina border. This region includes the rapidly growing Washington, D.C. suburbs, the city of Richmond and its suburban counties and the extremely rural, conservative southern part of the state, the southside region. Further west is the Blue Ridge region, composed of the Blue Ridge mountains and the Shenandoah Valley, an area that has been called a "'puzzle of compartments' with differing natural and human characteristics."[1] Finally, in the southwestern corner of the state is the Southern Highlands, an extremely poor and rural area that nonetheless is rich in coal deposits. Recognizing this geographic diversity and the different educational needs of these regions is essential to an understanding of Virginia's education policy.

The state's population was 5,346,279 in 1980, a 14.9% increase from 1970, compared with an 11.4% nationwide increase. Virginia ranks 14th in population, but only 36th in land area. The urban-rural division is 26% central city, 40% suburban, 34% rural. In-migration and growth of metropolitan areas have been very significant in the last decade.

Economy and State Fiscal Environment

Virginia has a varied economic base, but nonetheless, one that is heavily service dominated. According to the Taylor Murphy Institute at the University of Virginia, government alone -- federal, state, local, military -- accounts for 22% of the gross state product. Adding to this wholesale trade, retail business, finance, insurance, real estate, selling and tourism produces 72% of the Virginia economy. Manufacturing makes up only 21%. The remaining seven percent comes from construction, farming and mining.[2]

Virginia's economy expanded steadily throughout the 1970s. During this decade the state's total personal income nearly tripled, while per capita income grew by 152%, compared with a nationwide increase of 141%. The state's diverse economic base generally protects it from nationwide employment fluctuations. In 1981, for example, the state's unemployment rate was 6.1%, considerably below the 7.6% rate for the nation as a whole.[3]

Virginia has a moderate total tax burden, but it has a low tax burden when measured by the state's per capita income. Because of the rapid growth in personal income, during the 1970s the state had a comfortable budget surplus. The nationwide recession has reduced the surplus considerably and, when coupled with reduced federal aid, has produced a very tight state budget. Despite these problems, Virginia's fiscal situation is not as severe as that facing some other states.

---

[1] Peirce, Neal R. "Virginia." In The Border South States of America, New York: W. W. Norton, 1975, p. 108.

[2] Traywick, Leland E. "Looking Ahead At the Virginia Economy." In Moeser, John V., (ed.). A Virginia Profile, 1960-2000: Assessing Current Trends and Problems, Palisades Park, New Jersey: Commonwealth Books, 1981, p. 241.

[3] Statistics provided by U.S. Census Bureau.

Social Environment

Socially and politically Virginia is a conservative state. It has been described as "one of the three or four most socially and culturally conservative states in the nation -- easily classed with Mississippi, Utah and Nebraska."[1]

For most of its history, Virginia was dominated by very conservative attitudes on racial questions. Although the days of "massive resistance" to the federal civil rights movement have long passed, the state has not yet become the "model of race relations" that Governor Linwood Holton urged in 1970. Social conservatism includes sexual equality: Virginia repeatedly declined to ratify the Equal Rights Amendment.

Political Environment

Any analysis of Virginia politics used to begin and end with a description of the Byrd machine which dominated state government from the 1890s to the 1970s. Named after Senator Harry Byrd, Sr., this organization maintained its hold on state politics through a relatively small membership that dominated the state by a shared outlook on government. This viewpoint included "a love for balanced budgets, loyalty to the cause of states' rights, an aversion to 'wild federal spending,' a Jeffersonian-like dedication to rural dominance, and... [a desire] to maintain the racial status quo..."[2] By the late 1960s, the Byrd machine had collapsed for several reasons: the strategy of massive resistence it fostered had failed, its political power base in rural Virginia was unable to deliver the necessary votes as the state's electorate increased in size, and the abolition of the poll tax and the Voting Rights Act enfranchised a large number of Blacks who had previously been excluded from the electoral process. In the 1970s, the Byrd machine was replaced by a powerful Republican party.

State politics in Virginia is dominated by a strong chief executive. Virginia's governor is one of the strongest state executives in the country; there are few constitutional or statutory restrictions on gubernatorial power. The governor appoints virtually all state agency heads, boards, and commissions, and other than the attorney general is the only full-time, popularly elected state official.[3] One irony, however, is that despite his considerable powers, Virginia's governor is prohibited from succeeding himself.

---

[1] Sabato, Larry. "Virginia Politics: A Republican Dream Come True." In Moeser, John V., (ed.). A Virginia Profile, 1960-2000: Assessing Current Trends and Problems, Palisades Park, New Jersey: Commonwealth Books, 1981, p. 40.

[2] Peirce, Neal R. "Virginia." In The Border South States of America, New York: W. W. Norton, 1975, p. 51.

[3] Morris, Thomas R. "From 'Old Virginny' to the 'New Dominion': Two Decades of Public Policymaking in Virginia." In Moeser, John V., (ed.). A Virginia Profile, 1960-2000: Assessing Current Trends and Problems, Palisades Park, New Jersey: Commonwealth Books, 1981, p. 66.

The current governor, Charles Robb, is the first Democrat since 1966. Robb, unlike his predecessor Governor Dalton, has demonstrated a strong commitment to elementary and secondary education.

The Virginia legislature, the General Assembly, is a part-time body. It meets for one to two months each year. One important development in Virginia politics in the 1970s was the effort to improve the professionalism of the General Assembly. Key developments in this vein included: the establishment of the Joint Legislative Audit and Review Commission and the Division of Legislative Services; the meeting of standing committees throughout the year; authority to carry legislation from one session of the Assembly, thus assuring the continuation of committee work; and growth in the number of legislative staff.[1] Despite these changes, the legislative power remains concentrated in the standing committees of the General Assembly. Both Houses of the General Assembly have had Democratic majorities for years, although in Virginia, the term Democrat generally means conservative attitudes on social issues and public services.

Although a belief in strong local government is an important part of its history, Virginia vests a great deal of authority in its state government. This is the result of several factors, including the use of legislative rather than home rule charters, state control of tax sources, and state provision of services for which localities are responsible in other states (for example, Virginia's takeover of the county road system in 1932). Virginia does, however, traditionally allow considerable local discretion in the levels of service to be provided.[2]

Major Issues Shaping Educational Policy

Local control of education is an important factor in Virginia's education policy. The concept has strong support in the legislature, and many state education agency (SEA) officials begin any discussion of education policy by noting the importance of local control. The 1975-1976 Annual Report of the Superintendent of Public Instruction emphasized this doctrine:

> Historically, public education in Virginia has followed Thomas Jefferson's concept that the final responsibility for the schools should be vested "in the hands of the people themselves." Dedication to this fundamental concept is essential if our schools are to survive in a healthy atmosphere of freedom, supported by the people they were created to serve....

---

[1] Morris, Thomas R. "From 'Old Virginny' to the 'New Dominion': Two Decades of Public Policymaking in Virginia." In Moeser, John V., (ed.). A Virginia Profile, 1960-2000: Assessing Current Trends and Problems, Palisades Park, New Jersey: Commonwealth Books, 1981, p.68.

[2] Austin, Robert J. "Who Will Govern?" In Moeser, John V., (ed.). A Virginia Profile, 1960-2000: Assessing Current Trends and Problems, Palisades Park, New Jersey: Commonwealth Books, 1981, p. 281.

> Today, probably more than ever before, it is vitally important to reaffirm two basic principles upon which America's system of public education was founded: The schools belong to the people and local control is essential if they are to function effectively.[1]

Closely linked to the emphasis on local control is the low profile traditionally maintained by the state department of education. In 1972, Mosher wrote "the state department of education has been characterized by low visibility, a high degree of continuity in office, and a reputation for integrity and economy in the conduct of operations."[2] Some observers believe the SEA historically has been a preretirement step for LEA superintendents or a refuge for superintendents that ran into difficulty with local school boards. Whether this was actually true in the past is unclear, but there is no doubt that the quality of the SEA personnel has benefited from the general effort to improve and modernize state government. Extensive efforts have been made to upgrade the professionalism of the department's staff and to improve SEA management.

In addition to the tradition of local control, the state department has also been hampered by the variation in school districts across the state. Part of this is a product of the state's geographic diversity. Another factor is the professionalization of individual school districts. Some LEAs are very sophisticated; many others are not. This has made it hard for the SEA to find a balance. According to one observer, "The SEA acts as if all school districts had 3,000 kids and were located in rural areas."

Despite these factors, SEA influence is on the rise. Part of the reason for the increased SEA role was the 1972 enactment of the Standards of Quality which prescribed basic educational standards for the state. The State Board of Education was charged with implementing this system, and much of the responsibility has fallen to the SEA.

The SEA has traditionally provided technical assistance to LEAs. While the technical assistance orientation remains, the SEA now does more monitoring of local activities and seeks to provide more leadership in setting state priorities. In short, it is now a more positive force in shaping state education policies than it was previously.

According to many state officials, federal programs have encouraged some state activities. As will be described later, P.L. 94-142 led to the expansion of the state special education law, and federal vocational education initiatives reinforced state actions and encouraged a rethinking of state vocational education priorities. There is no state equivalent of Title I except a small remedial education program focused on the educationally disadvantaged. The state has no bilingual education law although programs of English as a Second Language (ESL) are increasingly popular.

---

[1] Superintendent of Public Instruction. Annual Report, 1975-1976, Richmond, Va: Department of Education, 1976, p. 1.

[2] Mosher, Edith K. "The Politics of Federal Aid to Education in Virginia." In Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass: Lexington Books, 1972, p. 302.

Education Policy Within the State

Historical Background

For most of its history, Virginia exhibited little interest in public education. Not until 1869 did the Old Dominion require a statewide system of free public schools. Even then, an elitist attitude toward education and the state's financial problems dating from its Civil War debts combined to limit the state's support for education for nearly a century. According to Neil Peirce, by the mid 1960s Virginia was:

> ...one of the nation's two or three most derelict states in support of schools and universities... the state had one of the nation's highest drop-out and illiteracy rates, and there were gross disparities between the funding for schools in affluent and poor communities.[1]

Public education was, in Peirce's words, "Virginia's perennial dark island."[2]

The state's overt opposition to the Civil Rights movement between the mid 1950s and 1960s also influenced state education policy. Massive resistance to federal civil rights rulings was the central focus of state politics during this period, and this meant that there were few improvements in state government or education policy.

Virginia's neglect of its governmental machinery began to change under the first administration of Governor Miles Godwin (1966-1970). Governor Godwin began to upgrade and improve all facets of state government, but especially education. The legislature was persuaded to enact a state sales tax, and part of the proceeds were earmarked for education. Governor Godwin also won support for a bond issue to finance capital outlays for higher education and launched an ambitious community college program.

In 1971, Virginia adopted a new state constitution that established education as a "fundamental right." The constitution requires:

> The General Assembly shall provide for a system of free public elementary and secondary schools for all children of school age throughout the Commonwealth and seek to insure that an educational program of high quality is established and continually maintained....

---

[1] Peirce, Neal R. "Virginia." In The Border South States of America, New York: W. W. Norton, 1975, p. 70.

[2] Ibid., p. 72.

> Standards of Quality for the several school divisions shall be determined from time to time by the Board of Education ...[and the] General Assembly shall determine the manner in which funds are to be provided for the cost of maintaining an educational program meeting the Standards of Quality.

In response to this mandate, the State Board of Education has prescribed a set of standards to coincide with each biennial session of the state legislature. In 1980-82, these standards, which change somewhat from one session to the next, included provisions dealing with basic skills, testing and measurement, career preparation, education of the handicapped and gifted students, alternative education, responsible student conduct, personnel, staff preparation, accreditation and school evaluation, and planning and public involvement.

With enactment of the Standards of Quality, the financing of education has become a more visible issue in the General Assembly. In recent years, the need to increase teacher salaries to attract and retain competent and qualified teachers has emerged as one of the state's top priorities. In the 1982 session of the General Assembly, Governor Robb urged the legislators to increase education funding, and the state budget they enacted for the 1982-84 biennium provides for an 11% annual increase in basic education aid. It is assumed, although not required, that local school districts will use these funds primarily to increase teachers' salaries.[1]

Assistance to urban schools remains a troublesome issue. Urban districts feel the state's basic education aid formula shortchanges them. Recently, there have been unsuccessful efforts to create a program of aid tailored to both the most urban and most rural school districts (the proposed sparsity/density program). Because of the intrastate disparities in per pupil expenditures, some state officials predict a school finance case will be filed in the near future.

Although the General Assembly has not created the sparsity/density program, in 1982 it did increase state funds for remedial education by nearly 90% -- a move intended to help urban schools. It is expected that this increase will further encourage remedial efforts by LEAs.

Increased competency, for both teachers and students, is also a major issue at present. For students, the state already has an extensive statewide testing program and requires passage of a competency test for graduation. In addition, the SEA continues to develop the Standards of Learning (SOL) program, a project that will prepare a suggested set of learner objectives in five areas. LEAs' use of the eventual product is optional. For teachers, the State Board of Education is seeking to tighten requirements for admission to teacher education programs and for teacher certification. The state board has recently adopted minimum SAT scores and minimum grade point average for students enrolled in teacher education programs as a way of improving teacher quality.

---

[1] Preliminary evidence suggests that most school districts are, in fact, increasing teacher salaries as the General Assembly intended. See Virginia Department of Education. "Teacher Salary Survey." (Report prepared for the Senate Finance Committee and the House Appropriations Committee), Richmond, Virginia: Virginia Department of Education, December 17, 1982.

Other major education issues include the financial implications of the loss of federal impact aid funds. For some school districts, such as Fairfax and Yorktown, the revenue loss is substantial. In addition, there is some concern over the steadily increasing costs of the state's special education program and, to a lesser extent, vocational education. In both cases, enrollment levels have steadily increased despite a decrease in total statewide enrollment.

Virginia's opposition to the civil rights movement reinforced a skepticism toward anything associated with the federal government. As a result, the state was initially reluctant to accept federal aid for education. The Virginia School Boards Association regularly passed resolutions opposing federal aid. Eventually, however, state and local officials became much more willing to accept the money.

State officials believe federal programs have had both positive and negative effects. On the one hand, they have increased the size of the SEA and improved its capabilities in some areas. They encouraged the state to focus on special target groups. On the other hand, federal programs have increased paperwork at the state level and forced the SEA to play a stronger monitoring role relative to LEAs than they would prefer. Federal programs also "balkanized" the SEA to some extent by helping to create "empires" in some program areas.

Major Federal and State Programs

There are a number of major education programs within the state.

- General Education -- The basic state education program is the Standards of Quality (SOQ) program. Mandated by the 1972 state constitution, this program outlines the general components of elementary and secondary school programs. Most state aid funds are distributed through this program.
- Vocational Education -- Virginia has two vocational education programs. The major state program is part of the SOQ program and funding levels are based on average daily attendance (ADA). A second program "Financial Assistance for Instructional Assistance" provides categorical funds to local education agencies for "occupational vocational education." The state also receives a substantial amount of federal VEA funds.
- Special Education -- Like vocational education, Virginia has two special education programs. Most state funds are distributed through the Standards of Quality program. A smaller, but still significant, amount of money is distributed under the financial assistance for instructional assistance program. The state also receives substantial federal funds for special education.

- Title I/Remedial -- State officials agree that federal Title I funds are very important within the state. Virginia receives about $55 million under the program. The state also has a remedial reading program that is distributed through the SOQ program.

- Gifted and Talented -- The state has mandated education of gifted and talented children as a priority under the SOQ. A small amount of funds are provided by the state under this program, but results at the local level have been disappointing so far.

Organization of State Department

The State Board of Education is appointed by the governor and confirmed by the General Assembly. It also serves as the state board for vocational education. The superintendent is also appointed by the governor and subject to confirmation by the legislature. He/she is, however, supposed to take policy guidance from the state board.

The superintendent of instruction is John Davis, formerly superintendent in Fairfax County. Traditionally, the state superintendent has not been very powerful because of the strong emphasis on local control; however, Superintendent Davis has considerable statewide support. The Deputy Superintendent is William Cochran, a long-time veteran at the SEA.

There are four major divisions in the SEA, each headed by an associate superintendent. These divisions are: Financial and Administrative Services; Support Personnel and Administrative Field Services; Curriculum and Instruction; and Planning and Evaluation. All federal and state education programs are in the Curriculum and Instruction Division. The major responsibility of this division is the direction and coordination of the instructional programs to assure that they meet statutory requirements, state board regulations, and administrative policy. This division is subdivided into three smaller units: special and compensatory education (which includes Title I, P.L. 94-142, and the state special education program); general education (which provides assistance to local instructional personnel in most subject areas); and vocational education (which administers both the federal and state vocational programs).

The Division of Financial and Administrative Services has been an area of particular interest in recent years since the present state superintendent has sought to strengthen the department's financial management and accounting procedures.

The Division of Planning and Evaluation is responsible for collecting and processing information about education in Virginia and providing relevant information to policymakers. The division's responsibilities include planning for the department, helping localities plan and develop new programs, evaluating programs, administering state testing programs, developing and implementing the Standards of Quality, and conducting research.

The Division of Support Personnel and Administrative Field Services is responsible for liaison work with education-related groups and agencies and coordinates legislative activities between the education agency and the General Assembly. Other responsibilities include teacher education and certification programs and technical assistance for desegregation activities.

The department has an authorized personnel ceiling of 455 staff members, an increase of over 20% since 1969.[1] According to the department, about half the department's staff are supported by federal funds. This represents a decrease from the 1974-75 period when almost 60% of the staff were federally supported. The organization chart of the state education department is shown in Figure 1.

Key Actors in the Education Policy Process

Several members of the Virginia General Assembly are especially influential in setting education policy. In the House, key individuals are concentrated on the Appropriations and Education Committees.[2]

John Davis, the current state Superintendent of Instruction, is popular and well respected in the legislature. Several legislative officials suggested that Dr. Davis is more cooperative and accessible than his predecessors and that this has improved the SEA's standing in the General Assembly.

The State Board of Education is not regarded as particularly influential, but several officials did mention one member, William Lemmon, as well respected. Lemmon was a former chairman of the House Education Committee who retired and was appointed to the state board.

The Virginia governor has extensive powers and can be a major factor in shapiNg education policy if he chooses. In her 1972 case study, Edith Mosher called the governor's role in changing education policy "pivotal." Generally, however, when Virginia's governors have

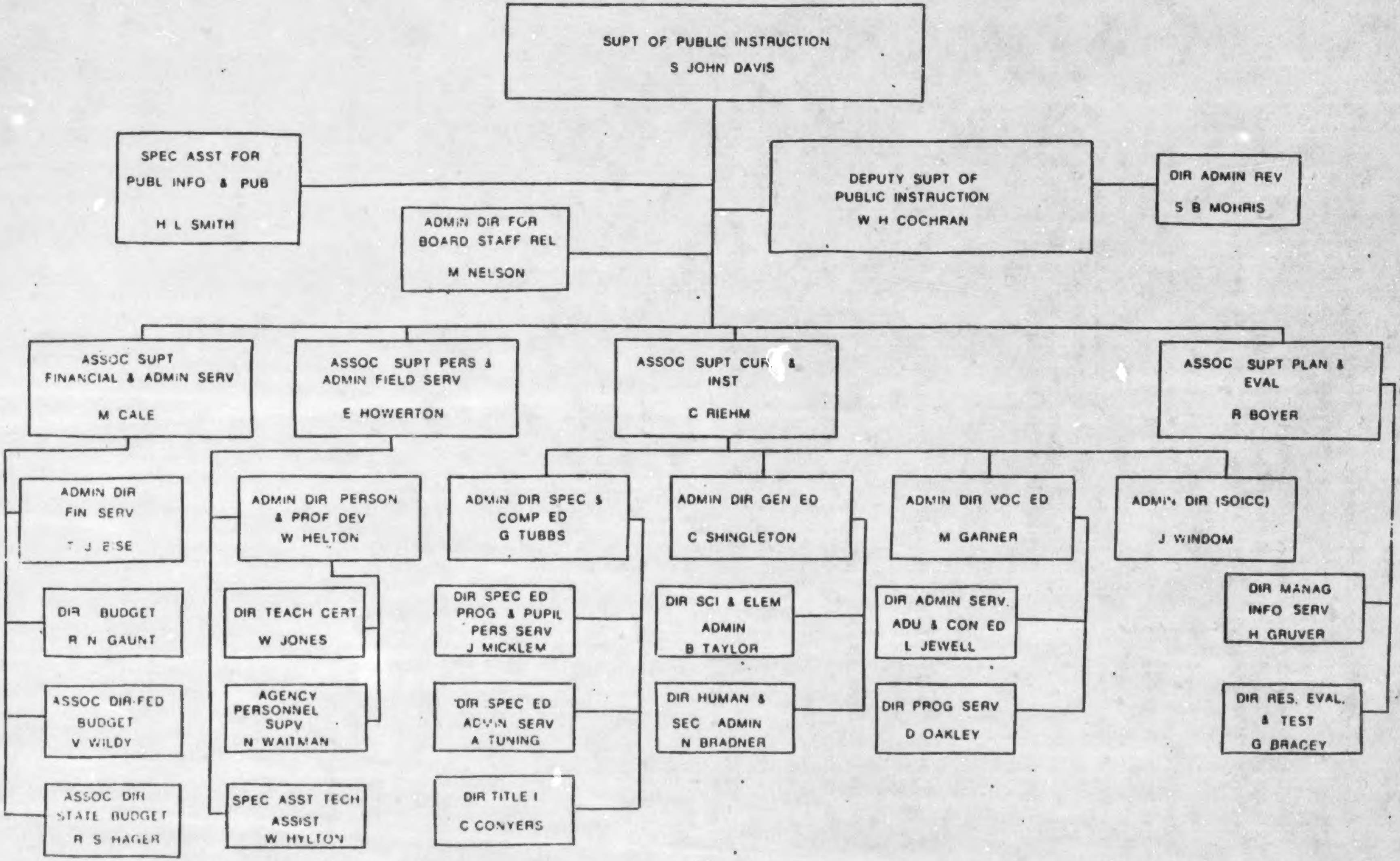
---

[1] Mosher, Edith K. "The Politics of Federal Aid to Education in Virginia." In Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972, p. 303. Despite this personnel ceiling, the department had only 435 staff members actually employed. By the end of 1982, the SEA's authorized personnel ceiling had been lowered to 427, and the department had 412 individuals actually working.

[2] Among the most frequently mentioned individuals are Rep. Richard Bagley (Appropriations Committee Chair), Rep. Dorthy McDiarmid (Education Committee Chair), Rep. Owen Pickett, Rep. Alan Diamonstein, and Rep. L. Cleaves Manning. In the Senate, the most influential individuals are on the Finance Committee and the Education and Health Committee. Key officials include Senator Edward Wiley (a member of both committees and Chairman of the Finance Committee), Senator Adelard Brault (also a member of both committees and Chairman of the Education and Health Committee), Senator Hunter Andrews, and Senator Thomas Michie.

Figure 1

Organization Chart of Virginia State Education Department


SUPT OF PUBLIC INSTRUCTION
S JOHN DAVIS
SPEC ASST FOR
PUBL INFO & PUB
H L SMITH
ADMIN DIR FOR
BOARD STAFF REL
M NELSON
DEPUTY SUPT OF
PUBLIC INSTRUCTION
W H COCHRAN
DIR ADMIN REV
S B MORRIS
ASSOC SUPT
FINANCIAL & ADMIN SERV
M CALE
ASSOC SUPT PERS &
ADMIN FIELD SERV
E HOWERTON
ASSOC SUPT CUR &
INST
C RIEHM
ASSOC SUPT PLAN &
EVAL
R BOYER
ADMIN DIR
FIN SERV
T J EISE
DIR BUDGET
R N GAUNT
ASSOC DIR-FED
BUDGET
V WILDY
ASSOC DIR
STATE BUDGET
R S HAGER
ADMIN DIR PERSON
& PROF DEV
W HELTON
DIR TEACH CERT
W JONES
AGENCY
PERSONNEL
SUPV
N WAITMAN
SPEC ASST TECH
ASSIST
W HYLTON
ADMIN DIR SPEC &
COMP ED
G TUBBS
DIR SPEC ED
PROG & PUPIL
PERS SERV
J MICKLEM
DIR SPEC ED
ADMIN SERV
A TUNING
DIR TITLE I
C CONYERS
ADMIN DIR GEN ED
C SHINGLETON
DIR SCI & ELEM
ADMIN
B TAYLOR
DIR HUMAN &
SEC ADMIN
N BRADNER
ADMIN DIR VOC ED
M GARNER
DIR ADMIN SERV.
ADU & CON ED
L JEWELL
DIR PROG SERV
D OAKLEY
ADMIN DIR (SOICC)
J WINDOM
DIR MANAG
INFO SERV
H GRUVER
DIR RES. EVAL.
& TEST
G BRACEY

acted independently, they focused on postsecondary education. The current governor, Charles Robb, made increased state education spending an issue in his 1981 gubernatorial campaign and persuaded the legislature to increase state basic education aid in 1982. Based on this early evidence, Virginia officials believe Robb will be a "good friend to education" within the limits imposed by budget restraints.

Interest groups appear minimally important in influencing Virginia's educational policies. The Virginia Education Association is usually strong on issues affecting teachers but does not assert itself on many other educational issues. There was little mention of other groups as especially powerful in the political process. Groups concerned with special education are diffuse but can sometimes concentrate power on a single issue. The Virginia Vocational Association is regarded as an information group rather than a powerful lobby.

Funding

In 1980-81, local education agencies received 9.5% of their revenues from the federal government, 40.9% from the state, and 49.6% from local sources. Over the last decade, the percent of revenue received from the state government has increased (from about 33% to 40.9%), while the amount contributed by the locals has dropped (from nearly 55% to 49.6%). Federal revenues show little change.[1]

Most of Virginia's state education aid is distributed through a basic foundation formula under the Standards of Quality (SOQ) program. Under this program the state establishes a "Basic Operation Cost" which is a provision for personnel at a ratio of 48 professional positions for each 1,000 pupils in average daily membership (ADM). The fund has provisions for a number of specific programs, including driver education, special education, vocational education, teacher sick leave, pupil transportation, instructional television, school food services, and remedial work. The state also earmarks one percent of the state sales tax for education and distributes the money according to school-age population.

To calculate state and local shares, the state begins by multiplying the basic cost per pupil by the ADM to produce the total cost of the program. From the total cost, the state subtracts the one percent earmarked sales tax. The remainder is multiplied by the local composite index (composed of 50% true values of real estate and public service corporations, 40% personal income, and 10% taxable retail sales) to produce the local share. The remaining amount is the state share of the Standards of Quality program.

Special education payments are divided into two funds. The first is part of the Standards of Quality program. The second is a categorical grant for state funds not federally matched for special education, such as homebound instruction, training for special education personnel, and preschool handicapped programs.

---

[1] National Education Association. Rankings of the States, Washington, D.C.: National Education Association, various years.

The state also distributes vocational education money through the SOQ program and a categorical grant. Districts receive an SOQ payment for pupils enrolled in a full-time approved vocational program. The amount of payment varies depending on the cost of the program. Categorical funds for vocational education are provided to support activities such as local travel, adult programs and courses, local administration, equipment and construction.

The state provides a relatively small amount of funds for remedial education under the SOQ. The distribution of these funds is based on scores on achievement tests.

There have been persistent concerns that urban areas are getting less resources than they need from the state relative to other districts. Only 50% of the state aid formula is equalized. In 1982 the General Assembly considered and rejected a proposal to create a sparsity/density program that would have addressed this issue by providing more money to districts with very high or very low enrollment concentrations.

A second funding concern for state policymakers is the level of teacher salaries. In an effort to address this issue, in 1982 the General Assembly added money to the state's basic aid program and encouraged -- but did not require -- LEAs to raise salaries.

Education Programs for Special Needs Students

Standards of Quality

This is the basic state education program, enacted in 1972. There have been some changes since 1972 in the areas emphasized by the SOQ. Under this program, the State Board of Education sets general goals and areas for state education programs. The SEA implements the SOQ and monitors LEA progress.

Standards of Learning

Currently being developed, the SOL program is scheduled for completion by 1984. Under this program, the SEA will publish basic curricular guides for school districts with suggested "learner objectives." There has been some concern that this program represents an intrusion on local control, and consequently, the SEA has moved cautiously with a large number of local officials involved. Adoption of the program is a local option. No funds are attached to this activity at present.

Title I

This is a fairly well-established program that seems to operate smoothly. All 140 LEAs have Title I programs; the state receives $59 million annually from the Department of Education. One-hundred and eleven thousand pupils are served. According to SEA officials, this represents approximately one-half of the eligible population. The basic program model is a teacher and aide working with 15 children at 45-minute intervals in reading and math. Many districts have Title I Resource Centers that provide supplemental materials.

State Title I officials see their role as providing technical assistance to LEAs. Consequently, the state supports seven regional supervisors who work with LEAs to identify and address problems. Formal monitoring seems a less important consideration, although state officials indicate it is a major part of their job. The regional supervisors visit each LEA three or four times a year.

Local education agencies offer similar impressions. They generally regard the program as one that operates smoothly. They feel the SEA emphasizes compliance through a technical assistance orientation. The SEA Title I staff is seen positively -- "they help keep us out of trouble" commented one local official. Both state and local officials, however, express concern that the new Chapter 1 regulations will disrupt established local programs.

As noted earlier, state and local officials agree that Title I generally runs smoothly. Initial difficulties were encountered with supplement/supplant, comparability, and maintenance of effort provisions, but these have been settled, and federal, state and local officials have a mutual understanding of how the program operates.[1] Paperwork requirements -- i.e., evaluation forms, needs assessments -- have been somewhat burdensome at both the state and local levels. The requirement to serve private school students has given Virginia some trouble, and Virginia is one of two states where the by-pass provisions are utilized. The overall impression, however, is that Title I works well.

There is considerable general political support for Title I, but it is unlikely that the state will make up federal cuts in this specific program. LEAs will most likely have to reduce expenditures or fund Title I out of their own resources as federal reductions occur. According to state officials, some cuts have already taken place at the LEA level: there were 600 fewer staff in 1982 than in 1981, and summer school programs were reduced from 31 districts in 1981 to eight in 1982.

---

[1] While Virginia officials contend that Title I works well, there have been controversies over program administration. The state has been audited twice in recent years by the U.S. Department of Education and has received two audit exceptions. The first audit, issued in March 1981, involved $1.8 million in expenditures in Richmond City Schools. The Department of Education cited the district for a failure to provide comparable services. The second audit involved Richmond, Portsmouth, and Chesapeake. In this case, the Department alleged that Title I funds had been used for non-Title I purposes. Virginia has appealed both audits, and a final determination has not yet been made. If the audit exceptions are upheld, Virginia will be required to repay the funds.

In 1980, Virginia established a remedial education program with funding based on educational achievement. The state has budgeted $10.2 million for this program in fiscal year 1982. This program is kept totally separate from Title I in state-level administration to avoid supplanting issues. At the LEA level, however, some districts indicate that children with similar skill levels may receive different treatments because Title I and the state program have different eligibility criteria. There is strong support for the state's remedial program in the General Assembly and, in 1982, its funding was increased substantially.

Special Education

Virginia established a special education program in 1972 through the Standards of Quality program. The state law had several characteristics that were similar to P.L. 94-142, but in general the state law was more permissive with few penalties for non-compliance. After the enactment of 94-142, Virginia revised its regulations to make state law conform to federal law. At present the federal and state requirements are very similar except state law requires children be served from age two (rather than three) and is more specific in defining handicapping conditions.

All 140 LEAs have special education programs. In 1980-81, 107,236 students received services from LEAs, and another 4,640 received services in state institutions or were granted tuition assistance in private schools. Enrollment in special education programs has increased steadily in recent years -- a matter of some concern given declining general enrollments statewide. In 1981-82, the state received $20 million in federal funds from the Education for All Handicapped Children Act and $1.7 million in funds for handicapped children under Title I of ESEA. During the same period, state expenditures for state programs in special education were about $50 million.

The SEA special education staff consists of 28 individuals. Both state and local officials believe that the state plays a stronger monitoring/enforcement role relative to LEAs in special education than in other education programs. Importantly, however, most of the monitoring activities are handled by the SEA's seven regional coordinators who work directly with LEAs. The remaining special education staff work on matters related to state administration of the federal and state programs such as complaints, program approval and technical assistance. State department officials would like to provide more technical assistance, but feel "locked-in" by federal regulations that emphasize monitoring and regulation. In addition, the SEA lacks the personnel to take on new activities.

Difficulties have emerged in implementing and administering P.L. 94-142. Some respondents felt there were too many new requirements on state and local officials too soon. Others suggested that there were not sufficient local staff to implement the new law effectively. Other problems that were mentioned include:

- the overly detailed specificity of assurances in the federal law,
- underfunding by the federal government,
- costs associated with meeting due process requirements, and
- lack of trained personnel to implement the law at the local level and of state department staff to provide technical assistance.

State officials cited more problems with P.L. 94-142 than with any other federal program. The records of the Administrative Review Service (ARS) reinforce this finding: state officials found more violations in LEA special education programs than in any other area.[1] This result may be due to the complexity and relative newness of the program rather than to any deliberate effort to circumvent the law.

The 1980-81 Report on Public Education in Virginia, which summarizes the results of site visits by the ARS to local school districts, noted that despite a high commitment to handicapped students, LEAs continue to have difficulty administering the law. The report commented:

> On-site teams found that a high level of effort and commitment to services for the handicapped permeated the divisions [local education agencies]. Divisions provided services to almost all those eligible through in-house resources and self-contained programs, regional programs for low-incidence exceptionalities, and/or placement in private school and state school programs. However, the number of citations for exception and noncompliance clearly indicates that there were many failures to implement some of the required procedures.

According to the ARS records, the most frequent problem related to the requirements for a free and appropriate education and the failure to serve all eligible children.

Local officials see P.L. 94-142 as highly prescriptive and believe the SEA has a monitoring orientation. The primary concerns in LEAs are the specificity and detail of the requirements and the low level of funding. The law appears to be especially troublesome for LEAs in rural areas that lack the staff to administer the program and may have difficulty attracting highly qualified teachers because of location and salary.

Vocational Education

Virginia has two separate vocational education programs. One, a categorical program, provides funds to support specific vocational activities, such as local travel, equipment, and construction. The other source of state funding is the Standards of Quality program which provides support based on pupil enrollments and program costs. In 1981-82, Virginia will spend $21.6 million on the categorical program and $25.6 million under the SOQ. The state received $16 million in federal vocational education funds in the same year. There were 78,439 Virginia students in vocational education programs in 1980-81. All LEAs have vocational education programs.

---

[1] The role and functions of the Administrative Review Service (ARS) are described on Page 31.

Federal vocational education funds are distributed to LEAs by a formula based on federal statutory criteria. About 82% of federal dollars are passed to LEAs. Most federal funds -- except set-asides -- are used for equipment purchase and facility construction because the state has established these as top priorities, and local officials share these priorities.

The Division of Vocational Education, a staff of 87, has a technical assistance orientation. In recent years the division has adopted an increased orientation toward monitoring, compliance, and evaluation -- especially in light of civil rights and sex equity concerns, both of which are federal thrusts.

Federal vocational education support encouraged Virginia to start and expand its own program. In addition, state officials agree that federal requirements have moved the state in directions it might not have gone on its own, such as sex equity and civil rights. The vocational education set-asides also encouraged programming for target populations that might not have occurred otherwise. In addition, federal funds have provided money for facilities and equipment and stimulated the growth of area vocational schools. There are fears at the state and local level that federal budget cuts will result in reduced funds for facility construction and equipment purchase.

State and local officials regard some vocational education regulations -- such as excess cost provisions -- as overly specific and lacking in statutory justification. Accountability requirements are especially burdensome at both the state and local levels. Local officials indicate they must maintain a dual reporting system to meet federal and state requirements. They also criticize the planning requirements as overly prescriptive and inaccurate because the data used to prepare them are frequently imprecise. Local education agencies like the federal funds but believe the state department has become more intrusive in recent years because of federal regulatory requirements.

Title IV-B

Funds received under ESEA Title IV-B also contributed to SEA growth. The state received $3.9 million under this program in 1980-81. This money was used to purchase library resources and textbooks and to support guidance counseling and testing services. The state department has played a technical assistance role under this program, helping LEAs assess needs, design projects when LEAs request assistance, and prepare applications.

There is some concern at the state and local levels that libraries will suffer under block grants -- officials fear that available funds will be channeled into salaries or other more immediately pressing areas, leading to a deterioration of school district libraries.

Title IV-C

In 1980-81, Virginia received $3.2 million under this program. These funds were used to support innovative and exemplary educational projects in local school districts. Approximately 35 three-year projects were supported. Money from this program is also used to support "state-validated" local projects that are considered worthy of adaptation by other school districts.

Title V

Virginia used its Title V funds to build up capacities in the state department of education. The state received just over $1.0 million in 1980. The major areas of state support include: educational planning and evaluation, data information systems, research and dissemination, curricular materials, and staff development. These funds were used to support 50 staff members.

Since 1965, a significant number of staff people have been employed under this program throughout the SEA. The program has been popular with SEA officials because it provided general support with few strings; however, they express concern over what will happen to state capabilities developed under the program when it is folded into Chapter 2.

Civil Rights Requirements

Virginia's civil rights activities are concentrated in the Division of Technical Assistance for School Desegregation Services. This office, established in 1971, is staffed by four employees. Among its responsibilities are Titles IV (national origin) and VI (race) of the Civil Rights Act, Title IX of the Higher Education Act, and Section 504 of the Rehabilitation Act. One employee of this office is also responsible for administering the U.S. Office of Civil Rights' methods of administration (MOA) activities for the state's division of vocational education.

The office concentrates its efforts on providing technical assistance to help local school districts meet the requirements of federal law. The division holds frequent conferences and workshops, publishes materials, and engages in extensive LEA training activities. In the future, this office will also address issues related to college desegregation since the responsibility for postsecondary remedial education has been assigned to the State Board of Education under the terms of the recent desegregation agreement between Virginia and the U.S. Department of Education. This office's compliance activities are concentrated on a careful analysis of the materials prepared by school districts in response to OCR's forms 101/102 (which deal with suspension, corporal punishment, expulsion, failure to serve certain populations, and race) and Section 504 activities.

The state department is beginning to develop and implement its own policies toward equal opportunity. In December 1979, Superintendent Davis issued the "Virginia State Department of Education Policies on

Equal Educational Opportunity and Equal Employment Opportunity." This document represents the first formal effort by the state department to establish civil rights policies for local education agencies. Guidelines for these policies have been prepared and are currently being implemented. Despite this step, the state department was criticized by some of its own staff and by interest groups for failing to pursue civil rights matters more aggressively.

Chapter 1/Chapter 2

At the time this study was conducted, the state had just begun to plan for Chapter 1 and Chapter 2. In the Title I office, there was considerable concern that the revisions in the program would confuse LEA staff, interrupt services to students, and disrupt effective working relationships between state and local officials. State officials also worried that the absence of clear guidance in federal rules and regulations about permissible activities would cause great difficulty in the event of future audits. As a result, they believed local schools would probably adopt a conservative approach to implementing the new law.

The Chapter 2 Advisory Committee was appointed by Governor Robb in April 1982. The committee, chaired by Lieutenant Governor Richard Davis, met twice before making its recommendations in late May. The committee authorized the state department to keep 20 percent of the total allocation ($1.9 million) for its own use. A small portion of the agency's share ($350,000) was designated for a competitive grant program for local education agencies. The remaining funds ($7.8 million) will be distributed to localities by a formula that includes three variables: public and non-public school enrollment; economic deprivation; and student achievement. The variables are weighted so that 65% of the state's allocation will be distributed by headcount enrollment, and 35% will be based on high-cost children. Each district in the state is guaranteed a minimum funding level of $3,500.

The Effects of Federal Education Programs on the SEA as an Organization

Taken together, the variety of federal education programs have had a pronounced impact on the state department of education. One of the most important results is that federal programs have increased the number of staff and altered the department's organizational structure. As noted earlier, state department staff size has increased dramatically since ESEA: from 273 in FY 1965, to 381 in FY 1967, to 347 in FY 1969, to 455 in early 1982.[1] About 45% of the SEA's staff are supported with federal funds.

---

[1] Mosher, Edith K. "The Politics of Federal Aid to Education in Virginia." In Berke, Joel S., & Kirst, Michael W. Federal Aid to Education: Who Benefits? Who Governs? Lexington, Mass.: Lexington Books, 1972, p. 303.

State department officials maintain that this is a decrease from the percentage of federally supported staff in the early 1970s. This change resulted from a realization that the state was becoming too dependent on federal funds to meet personnel costs. To address this concern, the state began to shift staff from federal to state support in the mid 1970s.

Federal programs have also helped shape the organizational structure of the department. The federal influence here seems most pronounced in the vocational education division because of several specific offices (CETA, sex equity, methods of administration, etc.) that are solely the result of federal initiatives.

Title V of ESEA has been especially important in shaping the SEA organizational capacities. Several individuals indicated that Title V money had been used to establish or expand SEA staff in research, evaluation, data processing, and management information. Some officials fear that these generalized capacities will be diminished by the elimination of this program.

In a broader sense, there is no doubt that federal programs and policies have changed the focus, capacities, and activities of the state department of education. It should be noted, however, that many of the changes encouraged by federal actions were also facilitated by the modernization of Virginia's state government and the implementation of the Standards of Quality program. As a result, it is difficult to determine which changes are solely the result of federal initiatives. Nonetheless, in addition to the increased staff size, state officials attribute several developments to federal actions. These include a greater SEA role in monitoring and regulating LEAs, an increased emphasis on programmatic rather than curricular concerns, and increased organizational capacities in research, evaluation, and management information.

The shift from technical assistance to monitoring and enforcement is especially visible in special education where the state engages in heavy monitoring. Both state and local officials agreed that monitoring was the primary SEA role in this area. It should be noted, however, that state officials would like to provide more technical assistance in this area but lack sufficient staff. (Judging from LEA comments about the administration of special education and the results of the state department's administrative review, the state should provide more technical assistance in this area.)

The state also does more monitoring in vocational education than previously, largely in response to the changes implemented in the Vocational Education Amendments of 1976. Monitoring LEA performance is also an important function in the Title I program. It appears, however, that the monitoring done under this program is largely undertaken to meet federal statutory requirements and is less forceful than that done under special education. Local staff members, for example, suggest that the department's Title I monitoring role is relatively gentle. Moreover, state officials indicate that their primary objective in monitoring is "to keep LEAs out of trouble." In both vocational education and Title I, however, state officials maintain that while monitoring is an important function, the dominant SEA role is technical assistance.

Importantly, SEA monitoring of LEAs has also increased as a result of the Standards of Quality program. In order to assure that the requirements of the SOQ program are being implemented, the SEA established the Administrative Review Service (ARS) to assess LEA compliance. The ARS provides a comprehensive monitoring procedure that enables the state to examine an LEA's administration of both federal and state programs in a comparatively brief period of time. During ARS visits, a team of state department staff examine district procedures to ensure compliance with relevant federal and state laws, regulations, and accounting and reporting requirements.

Federal programs have also helped shift the state department from a curricular emphasis to a program emphasis. The state department is organized around major program areas, and staff members suggest that general curricular concerns are of less importance than a decade ago. LEAs report seeing more program staff from the SEA (special education, vocational education) and fewer subject matter or curricular specialists (science, math, english, etc.).

Federal programs have increased the capacities of the state department in several specific areas: research, finance, and management information systems. State officials indicate that ESEA Title V funds were especially important in developing these capacities. There was some agreement that the state's planning and evaluation functions -- which are generally done by individual program officers -- have not been fully developed, despite federal interest in this area. Several officials indicated that the department is likely to undertake more comprehensive planning activities in the future.

When these developments are taken together, the sum is that the SEA has more authority over LEAs than previously, in practice if not in law. The growth of the department's monitoring function, the increased capacities in research and finance, the increased prominence of state government in Virginia, and the birth and expansion of state education programs such as SOQ and SOL have shifted authority from the local level to the state department. This does not mean, of course, that local control of education has disappeared. Indeed, state officials repeatedly emphasize the importance of local control of education in Virginia. Rather, these developments simply mean that state level officials -- the legislature, the state board of education, and the SEA -- are much more important in shaping education policy than they were a decade ago.

Some functions, developed as a result of federal programs, have become widely accepted activities and are currently used for federal and state purposes. These include research, state testing activities and the developing management information system. However, not all federally encouraged or supported activities have become an integral part of state activities. Planning and evaluation, for example, are regarded as administrative functions that the department needs to upgrade.

Despite the importance of some of these functions, state officials are unsure if they will continue at their current level in the wake of federal budget cuts. In addition, several individuals predicted that the state's efforts to hold down spending would result in diminished state support for these activities. In the words of one official, "I can visualize some of these capacities virtually disappearing if the feds cut back funding and the General Assembly pulls the plug in terms of administrative support." Given these comments, it is difficult to determine the extent to which these activities have truly been institutionalized.

Despite the importance of federal funds to the state department and the large number of staff supported by federal money, state officials maintain that federal resources have not increased SEA capacity to lobby federal policymakers. A state law prohibits state employees from making direct contact with federal officials without the governor's permission. Indeed, some state officials expressed great reluctance to deal with federal officials except when absolutely necessary. Their attitudes seemed to echo the traditional Virginia antipathy toward the national government. Most state department employees profess little direct contact with federal officials, except on specific questions or problems. There are undoubtably examples of state lobbying of federal policymakers, but it seems clear that they are isolated.

State respondents show a much more positive attitude toward information sharing and exchange with officials in other state education agencies. They maintain that these contacts frequently provide additional perspectives on any problems confronting the agency and serve as a useful base for comparing interpretations of federal policy objectives.

The Effects of Federal Programs on the Political Environment

Federal education programs have encouraged the growth of special interest groups in Virginia. State officials suggested that the number of groups had increased dramatically in special education and, to a lesser extent, in vocational education. However, while the number of these groups had increased, most officials felt they played a limited role in state policymaking. Representatives of these groups agreed with this view, claiming that they sought primarily to facilitate information exchange among organization members and to provide information to state decision-makers as necessary. In short, they did not appear to place a high priority on lobbying.

While federal programs encouraged the growth of special interest groups, they do not appear to have altered the relationship between the state department of education and other political actors in the state. With the possible exception of some special education provisions, members of the General Assembly are generally unaware of the details of federal education programs. According to a legislative staff member, the General Assembly usually accepts the SEA's estimates of federal revenues and its interpretations of program requirements with little questioning.

As noted earlier, Virginia's governor can play a major role in shaping education policy if he chooses. While the current governor has made education a high priority, there were no suggestions that his interest (or that of previous governors) included federal aid programs or was stimulated by them.

In general, support for the goals and activities of federal education programs varies considerably outside the state department. There is strong statewide support for vocational education. Legislators, local officials and interest groups all express high regard for vocational education and its accomplishments. There is also strong support for special education, but there is considerable concern among legislators and local officials over the burden imposed by federal requirements (especially due process and related services) and the relatively low funding level. Importantly, the state's own programs in special and vocational education have very strong support, although there is increasing concern in the General Assembly over the growing enrollment and cost in both areas.

There is extensive support for Title I at the SEA and LEA levels, but legislative interest is lukewarm or non-existent. By contrast, there appears to be strong legislative support for the state's remedial efforts. The absence of more general support for Title I and its goals concerns program supporters who fear the program will whither away if federal budget cuts continue. Title IV-B and IV-C have support at both the state and local levels, but members of the General Assembly are unaware of program specifics. There is little, if any, interest outside the state department of education for civil rights and bilingual education, and they seem to have only modest support within the department. At the school district level, the commitment to these programs appears uneven: some LEAs show strong support, while others appear to have minimal interest.

Given the uncertain political support for the students served by federal programs, many state department officials believe that federal provisions for special needs pupils will prevent funding cutbacks and protect services provided to these pupils. One protection for special needs pupils is provided by targeting provisions, such as in Title I and vocational education, requiring special groups of students to receive services. Importantly, however, while the targeting requirements assure that services continue to be provided to needy students, federal budget cuts will reduce the level of resources going to LEAs. These cuts will inevitably reduce the services provided by school districts.

A second protection for special needs pupils is the federal service standards in special education. As noted earlier, these are the state regulations in Virginia. They will help assure that services provided to handicapped students are maintained. There is, however, some LEA resentment of the specificity of detail in these standards, which may affect local commitment to the program. Moreover, the Reagan Administration's 1982 proposed revision of the federal regulations may be seen by some school districts as an opportunity to retreat from some of the law's more troublesome provisions.

Another potential protection for special needs pupils is federal leveraging provisions (matching, maintenance of effort, excess cost etc.). To the extent that federal programs require matching of federal dollars (for example in the vocational education set-asides), it appears that the leveraging provisions have increased (or assured) expenditures in an area where the state and local commitments are unclear. In the absence of federal matching provisions, it is unlikely that federal dollars would have successfully stimulated state aid.

The Effects of Federal Programs on State Policies and Programs

Virginia's education priorities have been reinforced and expanded by federal education laws. Enactment of the Vocational Education Act coincided with the first state appropriation for vocational education. Subsequent amendments to the federal law encouraged the state to provide greater services to special groups such as the disadvantaged, the handicapped and women.

Virginia enacted its special education law in 1972, and its action was undoubtably influenced by the realization that a federal law was nearing passage. When P.L. 94-142 was signed into law, the state revised its policies and procedures to coincide with the federal provisions. Thus in both special education and vocational education, although the state had, or was developing, programs to parallel federal policies, the federal enactments defined and sharpened state law.

Presently, federal law drives the state's special education program. In vocational education, however, it appears that the state and federal programs remain distinct entities at the state level. In Title I, the state has chosen to isolate the program and treat it as a separate operation. In this sense, state policy priorities do not have a major impact on Title I program operations. State policy priorities have been important in defining the administration of Titles IV-C and V, but this is not suprising given the orientation of these programs.

Virginia does not alter federal program requirements to any great extent. There is a heavy emphasis within the state department to help LEAs pursue their objectives to the extent possible within federal regulations. The state does provide "guidance" on program design through technical assistance -- for example, by encouraging districts to provide reading and math programs for elementary school students under ESEA Title I.

Part of the reason for the state's reluctance to elaborate federal requirements is the traditional emphasis on local control and the relative absence of highly specific state categorical programs for special needs populations. Some state officials suggested that if the state had a larger number of its own categorical programs, it might be more willing to expand federal requirements to assure that federal and state programs served the same purposes.

State officials do not always differentiate between state and federal requirements when working with individual school districts. This is especially true in special education and vocational education where Virginia has rather substantial programs. In special education, local officials are frequently unable to distinguish federal and state requirements, although the more sophisticated and knowledgable districts apparently do not have this difficulty. In vocational education, local officials tend to assume that any requirements are the product of federal regulations — an opinion state department staff are reluctant to correct. Indeed, the state's "Policies and Regulations for Vocational Education" makes no effort to specify the differences in requirements among the federal Vocational Education Amendments of 1976, the state's Standards of Quality, and the Virginia State Plan for Vocational Education.

The Influence of Federal Programs on State Programs and Practices

Federal programs have had only a modest effect in stimulating state initiatives for special needs populations. In general, it appears that rather than creating entirely new programs, federal policy initiatives have broadened or expanded state priorities. For example, in vocational education, amendments to the federal law have encouraged the state and local districts to expand the attention given to nontraditional students. State and local officials believe it is unlikely that the state would have provided services to these target groups without federal encouragement. Similarly, in special education, the enactment of P.L. 94-142 forced the state to expand the level and nature of services provided to handicapped students.

The state's counterpart to Title I of ESEA -- the remedial reading program -- was established in 1980. State officials maintain that the creation of this program was the result of both political and educational forces. The political support came from the desire to increase state aid for education in urban areas. The education support stemmed from the state board's concern with raising educational standards. Thus, when the board proposed the program, the General Assembly was very receptive. SEA officials believe the "success" of Title I encouraged the General Assembly to look favorably upon the proposal. Legislative officials, however, discount this suggestion.

Virginia's state program for special education actually imitates federal law, while federal and state vocational education programs are quite distinct. As noted earlier, after P.L. 94-142 was enacted, state regulations were modified to make them consistent with federal requirements. In effect, the federal law became the state law; federal provisions became the state provisions. In vocational education, however, it appears that the federal and state programs are managed separately. For example, state officials emphasized that they maintain two separate reporting systems -- one for federal purposes, and one for state -- because the Vocational Education Data System (VEDS) does not meet their needs.

Federal programs and policies designed to improve civil rights have also influenced Virginia's education policy. State officials express a strong commitment to equal opportunity and civil rights. Similarly, the state constitution includes a strong anti-discrimination provision. Nonetheless, there are few state resources devoted to civil rights efforts in the SEA, and the support in some program areas, such as vocational education, is very weak. Some interest groups have criticized the SEA on civil rights grounds, but there is some feeling that the current state superintendent will give greater attention to these matters.

The state does not have a program of bilingual education. Many school districts have, however, developed English as a second language (ESL) programs. These programs are especially important in the northern Virginia suburbs which have seen an influx of Asian students in recent years. Although the state has not directly sponsored these programs, the General Assembly exhibits increasing interest in them. In 1982, for example, the legislature considered increasing state funding for ESL programs. Because of budget pressure, however, the Assembly simply asked the state department of education to review ESL programs and make recommendations on their effectiveness and cost.

Despite the important role of federal programs in Virginia and the large number of federally supported staff, it does not appear that federally funded SEA staff attempt to change state policy by going to their federal counterparts or their national organizations. SEA officials in the major federal program offices emphasized that federal program staff are often helpful as a source of information, but disavowed any efforts to change state policy through these connections. State program officials also noted that professional organizations are an important information exchange, but not a network that increases their power. Despite these comments, some high-level officials in the department suggested that these connections enable program staff to draw comparisons with other states and thereby informally influence state policy decisions. Frontal attacks on state policy, however, appear uncommon.

Federal programs do, however, increase the autonomy of the major program offices. Several SEA staff members suggested that Title I, special education, and vocational education were "empires" that were somewhat separate from the rest of the organization. One SEA official said the federal programs balkanized the department because they "allow these programs to support their own activities -- such as workshops and conferences -- that we don't have the money for in other divisions." Given such independence, he suggested it was difficult for state policymakers to effectively integrate federal and state activities.

The Consequences of Federal and State Program Interactions

There are some conflicts between federal and state program provisions in Virginia. The most fundamental conflict deals with providing services to children in private schools. The state constitution forbids the use of public money to support schools "not owned or exclusively controlled by the state or some political subdivision thereof," and the SEA lacks effective procedures for meeting federal requirements in this area.[1]

Conflicts in individual programs appear most notable in vocational education where federal and state programs have remained relatively distinct. State officials indicate that major sources of conflict include excess cost requirements, postsecondary education set-asides, and reporting provisions. The excess cost provision is a problem because federal law requires federal money be used for excess costs. Since Virginia's SOQ pays 100 percent of vocational education costs, there is theoretically no excess cost. The postsecondary set-asides are an issue because they require the state to treat the twenty-odd institutions in the state's community college system as separate schools when, according to state law, they are a single institution. Finally, as noted earlier, the reporting requirements under the Vocational Education Act are much more complex than state reporting requirements. This is a special problem for local education agencies, especially small districts with few staff members.

Special education presents a somewhat different problem. Although the state has adopted federal requirements as the basis for state law, there are frequent complaints that P.L. 94-142 goes too far, and that its requirements are excessive and burdensome. The primary criticism comes from local officials and focuses on the due process requirements and the financial problems caused by providing related services.

Other federal programs, most notably Title I, do not seem to present obvious conflicts with state programs. There is, however, a considerable difference between the administration of Title I and the state's remedial program. For example, the distribution of aid is based on educational need under the state's program rather than economic disadvantage as in Title I. In addition, although both programs are administered by the Division of Curriculum and Instruction, the state's program is run by the Office of General Education, while Title I is operated by the Office of Special and Compensatory Education. These differences suggest there are differences in the practice or philosophy behind these programs.

Federal programs do not appear to have affected Virginia's regular program, the Standards of Quality. This program, which establishes statewide benchmarks for local educational programs, has forced the SEA to play a stronger monitoring/oversight role relative to local education agencies. The Standards of Learning (SOL) program and the minimum competency program have also pushed the state department to assume greater leadership in charting education policy. Taken together, these activities have required the state to engage in more monitoring and oversight of local schools than it did a decade ago. In this sense, the state programs have forced the SEA to engage in activities similar to the role they play under federal programs.

---

[1] Virginia Constitution. Article 8, Section 10.

LEA officials believe the state now provides more help in special program areas (vocational education, special education, SOQ requirements, etc.) than they do in the traditional curricular areas (math, science, reading, etc.). Similarly, they perceive a greater monitoring role than previously. These developments are attributed to federal and state program requirements and to declining SEA resources that reduced the number of curricular specialists.

There is a substantial administrative burden that accompanies federal funds, especially in special education and vocational education. The administrative burden of the federal special education program was a common complaint at both the state and local levels. State officials commented unfavorably about the paperwork requirements (such as the child count provisions) and the apparently inconsistent treatment they received by federal program officials who review the state plan. Local officials are critical of the "unending" requirements imposed on them, especially the procedural requirements of P.L. 94-142. Primary complaints included: parental involvement (not wanting to be involved); local advisory committees (of questionable value); confidentiality of records (not necessary); maintenance of records (excessive requirements); and timetables (often unrealistic).

Special education presents an interesting case in Virginia. State officials believe that many paperwork problems are self-imposed by local school districts. LEAs, meanwhile, are often unable to distinguish between federal and state program requirements. One local official, for example, read a "state" provision that he thought was particularly onerous without realizing he was citing a provision from P.L. 94-142. This misassignment of responsibility is likely to be a special problem in the state's small, rural school districts. Part of the difficulty with administering P.L. 94-142 stems from the relative newness of the federal law and the small size of the SEA special education staff. Lacking sufficient manpower, the SEA must emphasize monitoring and regulation at the expense of technical assistance. State officials hope to provide more technical assistance in special education in the future.

Respondents also criticized some of the administrative requirements stemming from the Vocational Education Act. State officials argue that some federal provisions, such as the accountability report and the Vocational Education Data System (VEDS) are extremely burdensome. Moreover, these administrative requirements can be very costly. SEA officials estimate that the annual cost of the VEDS system alone is $250,000 — money that they believe could be put to better use. In addition to these problems, SEA staff believe some federal regulations, such as excess cost and the evaluation procedures, are more prescriptive than the statute itself. Interestingly, state officials do not find the federal planning requirements overly burdensome, despite their detail. In the words of one state official, "we would engage in very extensive planning even if it were not required."

Local officials, however, find federal vocational education planning requirements excessive. These individuals agreed that the required information is complex, voluminous and overly detailed. There were doubts that the information serves any useful policy or planning purpose. The local vocational education directors joined their state counterparts in criticizing VEDS. The two-year follow-up of high school graduates was cited by several local officials as especially difficult because it required them to track down students after they left high school.

It appears that there is minimal coordination across federal and state programs in Virginia. State officials all profess a close working relationship with individuals in other program offices but, when pressed, admit that effective coordination is not common. There appear to be several reasons for this. First, in the absence of a problem, there is simply no incentive to engage in coordination. Second, the federal program structure, which has emphasized separate categorical programs with individual planning reporting and accounting schedules, tends to encourage separate program structures at the state level. This also limits efforts to coordinate activities. Finally, some state officials believe that federal regulations -- supplement not supplant, planning and accounting requirements -- impede efforts to coordinate programs.

Summary

Understanding the interaction of federal and state education policy in Virginia requires, first and foremost, a recognition of the recent changes in state government. The moderization of Virginia's governmental machinery and the efforts to improve the quality of public services -- especially education -- have dramatically changed the context of education policy in the Old Dominion. At the same time that the federal government began to emphasize the educational needs of special pupil populations, so did Virginia.

As a result, it is hardly surprising that the state's education priorities have often been reinforced and expanded by federal education laws. In vocational education, for example, federal efforts have encouraged the state to expand the attention it gives to minorities, the handicapped and women. Similarly, P.L. 94-142 reinforced the state's educational efforts to serve handicapped children. In other areas, however, such as compensatory education and civil rights, the federal influence is much less apparent.

The administration of individual federal programs differs considerably. State and federal special education programs are so closely integrated that LEA officials have difficulty distinguishing them. The state and federal vocational education programs are administered by the same office but remain distinct entities. By contrast, the programs for educationally disadvantaged students (Title I and Virginia's remedial education) are administered by separate offices in separate divisions of the SEA.

Federal education efforts have had a major impact on the Virginia Department of Education. In addition to increased staff size, federal funds have helped shape the organization of the department. Among the other developments that state officials attribute to federal actions are a greater state role in monitoring and regulating LEAs and increased organizational capacities in research, evaluation, and information management.

State and local officials agree that the state currently does more monitoring in program areas than a decade ago. The strong tradition of local control has required the state to proceed cautiously in this area, but local officials voiced few complaints about the state's monitoring and oversight activities. Indeed, the establishment of the Administrative Review Service (ARS) to provide a comprehensive assessment of LEA operations is regarded as a positive development at both state and local levels.

State officials view the future of federal aid to education with apprehension. While Virginia's concern with special populations is well established and does not depend on federal funds for continued support, it is unlikely that federal budget cuts will be completely replaced by the state. Moreover, the state uses federal money to support a large number of employees, and it is doubtful that state funds will be available to replace reduced federal money for personnel. Finally, federal aid has been used to expand the department's capacities in research, evaluation, data processing and management. Some officials fear that these generalized capacities are not fully institutionalized and will be crippled if federal budget cuts continue.

WYOMING STATE PROFILE

Richard P. Holland

Introduction

Wyoming is a socially and politically conservative state. Its people display staunch individualism and intense local pride. A Wyoming Governor put it this way, "What goes on elsewhere... seems very, very far away. It's not alienation; it's isolation. And we like the isolation."[1]

The ninth largest state in land area, Wyoming covers 97,900 square miles. Yet its total population is only 470,000. This figure is growing rapidly with immigrants arriving in the state reputedly as "vassals" of the energy companies promoting the industrial development of Wyoming. In fact, Wyoming's population gain in the 1970s exceeded the growth rate of most "sunbelt" states.

The state's leading industry is mineral extraction, particularly oil, gas, and coal. Wyoming's projected mineral valuations for 1982 approximate $6.1 billion. Coal reserves alone are estimated at one trillion tons. Thus, it is not surprising that 33% of all revenue received by the state and 72% of all property taxes in 1982 were derived from mineral production. Recreation and tourism and agriculture are the other major industries in the state.

Fiscal Environment

Wyoming's unemployment rate for 1980 was 3.9%, the lowest in the United States. Total personal income in 1980 increased by 14.6% (as compared to the national average of 4.5%), up $658 million since 1979. The state budget surplus approached $100 million for Fiscal Year (FY) 1980. Residents pay no state income tax, and property taxes are minimal. Despite Wyoming's sound fiscal status, reductions are expected in state funding for health, education, and welfare programs due to federal budget cuts. Such funding reductions, in light of the current budget surplus, underscore the conservative fiscal attitude of Wyoming's state legislature.

Political Environment

Wyoming's Governor Ed Herschler, a Democrat in this heavily Republican state, has shown little interest in education. His recommended education budget each year has been well under what state educational constituencies desire; however, he has not opposed increases in educational funding passed by the state legislature. The state's 1980 expenditure for elementary and secondary day schools was approximately $217 million or 20% of total state expenditures. The conservative, Republican-controlled legislature has voted increased funding for local districts much more readily than for financial support to the state education agency (SEA). This anti-big government attitude of the state legislature has caused some conflicts with Wyoming's elected Democratic Superintendent of Public Instruction Lynn Simons, who has tried to convince the legislature to fund SEA jobs formerly supported by federal funds. Indeed, the state legislature seriously considered refusing federal funds two years ago because of the regulatory and reporting burdens associated with the Washington bureaucracy in general and P.L. 94-142 in particular. But, Mrs. Simons, a strong supporter of federal programs, was able to convince the legislature of the benefits for Wyoming in continued participation in federal education programs, specifically P.L. 94-142, when regulatory burden was the issue.

---

[1] League of Women Voters of Wyoming. A Look At Wyoming Government, 1979, p. vii.

The Wyoming legislature, which consists of a Senate and a House of Representatives, convenes a general session limited to 40 working days in odd-numbered years. The budget session limited to 20 working days occurs in even-numbered years. The future of Wyoming's social programs continues to be a major issue with legislators. Of chief concern, however, is the management of the rapidly developing energy and mineral industry. Southwestern Wyoming's Overthrust Belt is currently plagued with housing shortages as well as inadequate road construction, and is hard-pressed to provide schools to accommodate the one-thousand workers and their families brought into the largely undeveloped area by energy companies attracted by recent oil and gas discoveries. Boom towns such as Evanston are looking to the legislature for assistance in coping with the great influx of blue collar workers and the transiency problem their school-age children present for local education agencies (LEAs).[1]

Educational Overview

The state's responsibility for operation of public schools is vested in the State Board of Education. The Board sets standards and recommends rules and regulations. It consists of nine members appointed by the Governor, with the approval of the Senate. The Superintendent of Public Instruction, one of five elected state officials, is a non-voting, ex-officio member of the Board.

The 1969 Education Code required all Wyoming districts to offer an educational program from kindergarten or grade one through 12. Before this required "unification," separate elementary and high school districts were operating in the state. Currently, 46 districts are unified, and three are elementary districts. In addition, Wyoming has three intermediate education agencies (IEAs) serving low-incidence handicapped students. These Boards of Cooperative Educational Services (B.O.C.E.S.) offer day-school and residential programs in special education. Eventually, Wyoming may establish other B.O.C.E.S. centers throughout the state.

---

[1] In reviewing the draft of this Wyoming case study, the Deputy State Superintendent indicated that in the Fall of 1982, all Evanston public school pupils were satisfactorily housed and attending full-day school.

Wyoming's public school student population in Fall, 1982 was 101,665. This figure has grown from 85,686 in 1966 to 90,587 in 1976 to the current enrollment figure. The state's average cost per average daily membership (ADM) for the 1980-81 school year was $2,906, as compared to $1,721 in the 1976-77 school year.

Wyoming's LEAs vary greatly in local revenues available for support of public education. This variation for the 1980-81 school year ranged from $20,079,208 in mineral-rich Gillette (student enrollment of 5,804) to $180,752 in Clearmont (student enrollment of 121).[1] Base salaries of certified staff across the state ranged from $9,000 to $10,600 in 1977-78; however, by 1980-81, the average classroom teacher salary had risen to $18,718; and in 1981-82 increased by 13% to $21,151. Total student enrollments in Fall, 1980, ranged from 121 in Clearmont to 14,112 in Casper.

Major Issues that Shape Education Policy

Five major forces appear to shape current education policy in Wyoming: local control, the SEA, federal programs, equity in school funding, and minimum competency.

Local Control. Wyoming is a strong local control state. The organizations of local superintendents and school boards exert some influence over educational decision-making, and the Wyoming Education Association (of teachers) is influential. The SEA respects local autonomy. Its staff use "gentle encouragement" to effect LEA compliance with state education rules, regulations and statutes.

The SEA. In the opinion of some LEA administrators, until recently, Wyoming's SEA exerted little educational leadership, perhaps due to its lack of staff -- 105 total. The SEA provides LEAs more procedural technical assistance (TA) than programmatic TA. SEA monitoring of local districts occurs to a lesser extent than the provision of TA in the federal program areas such as P.L. 94-142 implementation.

Federal Programs. Federal programs seem to drive SEA activities in compensatory, special and vocational education areas. SEA staff complain about the overly prescriptive Vocational Education Act (VEA) regulations. SEA and LEA staff indicate that changes in federal regulation cause programmatic shifts and staff insecurity; however, it appears that SEA/LEA orientations toward federal programs have become more positive in recent years.

Equity in School Funding. In 1978, three property-poor school districts in Wyoming challenged the constitutionality of the state's system of financing public education. On appeal of the suit Washakie County School District No.1 v. Herschler, the Supreme Court of Wyoming declared the state's system of financing public education unconstitutional.

---

[1] While the Wyoming School Foundation Program equalized this disparity among LEAs to some degree, the Supreme Court of Wyoming judged that improvement was needed and mandated further equalization in public school finance.

In response to this decision, the legislature established a 10-member select committee to study methods of correcting the unconstitutional aspects of the school finance system. Subsequently, the Committee submitted a constitutional amendment to equalize the revenues of LEAs; this amendment was approved by the voters in November, 1982.

Minimum Competency. State Superintendent of Public Instruction Lynn Simons asked the Wyoming legislature this year for $100,000 to assess the ability of Wyoming students in basic skills. The SEA has no statewide testing program to measure how well public school students perform in reading, writing, and mathematics.[1] Wyoming is one of the few states in the nation that does not have some means of assessing student progress statewide. Some LEAs, however, have local testing programs in place.

Local school districts are supposed to adopt minimum standards for high school graduation in reading, writing, computation, and democratic governance by the fall of 1982. Mrs. Simons indicates that some districts are making more progress than others.

Education Policy Within the State

The Wyoming Constitution directs the legislature to provide for a complete and uniform system of public education for all children between the ages of six and 21. The Wyoming Department of Education provides services and assistance to local school districts attempting to implement this mandate.

Historical Overview

Prior to the advent of the Elementary and Secondary Education Act (ESEA) of 1965, Wyoming participated in three federal education programs: the school lunch program, vocational education, and the National Defense Education Act (NDEA). In fact, many ESEA programs had their origins under NDEA. Within three to four years of the birth of ESEA, Wyoming's SEA grew from a staff of 36-40 to one of 75-80. Since that time, another 30 staff members have joined the SEA, which currently has a staff of 105.[2]

Federal funds and the state's acceptance of federal education goals were the primary reasons for the rapid growth of the SEA staff, according to Wyoming's Assistant Superintendent for Administrative Services. The SEA role expanded because of federal education programs' rules and regulations, which created a need for more SEA administrators. In addition, some of the staff increase was effected by growth in state programs, such as special education.

---

[1] Mrs. Simons suggested the reason for this situation is the state's tradition of local control of schools. Cheyenne Star-Tribune, January 30, 1982.

[2] This 1982 figure for SEA staff size does not reflect staff members stationed outside the SEA central office.

In the opinion of some SEA staff, the federal programs brought greater educational sophistication to Wyoming. Further, the SEA's offer of federal dollars to local districts made LEAs more receptive to SEA staff.

Initially, there was little support in Wyoming for participation in federal education programs. Indeed, Velma Linford, Superintendent of Public Instruction from 1955 to 1963, was forbidden by the state legislature to accept federal funds while the federal budget remained unbalanced. Consequently, she waited until the federal budget briefly "appeared" balanced and then quickly applied for federal dollars. Since that time, it has been "an uphill battle" to convince the state legislature, as well as many Wyoming educators, of the value of federal programs. In the past, there has been almost a denial of the success of federal initiatives in Wyoming.

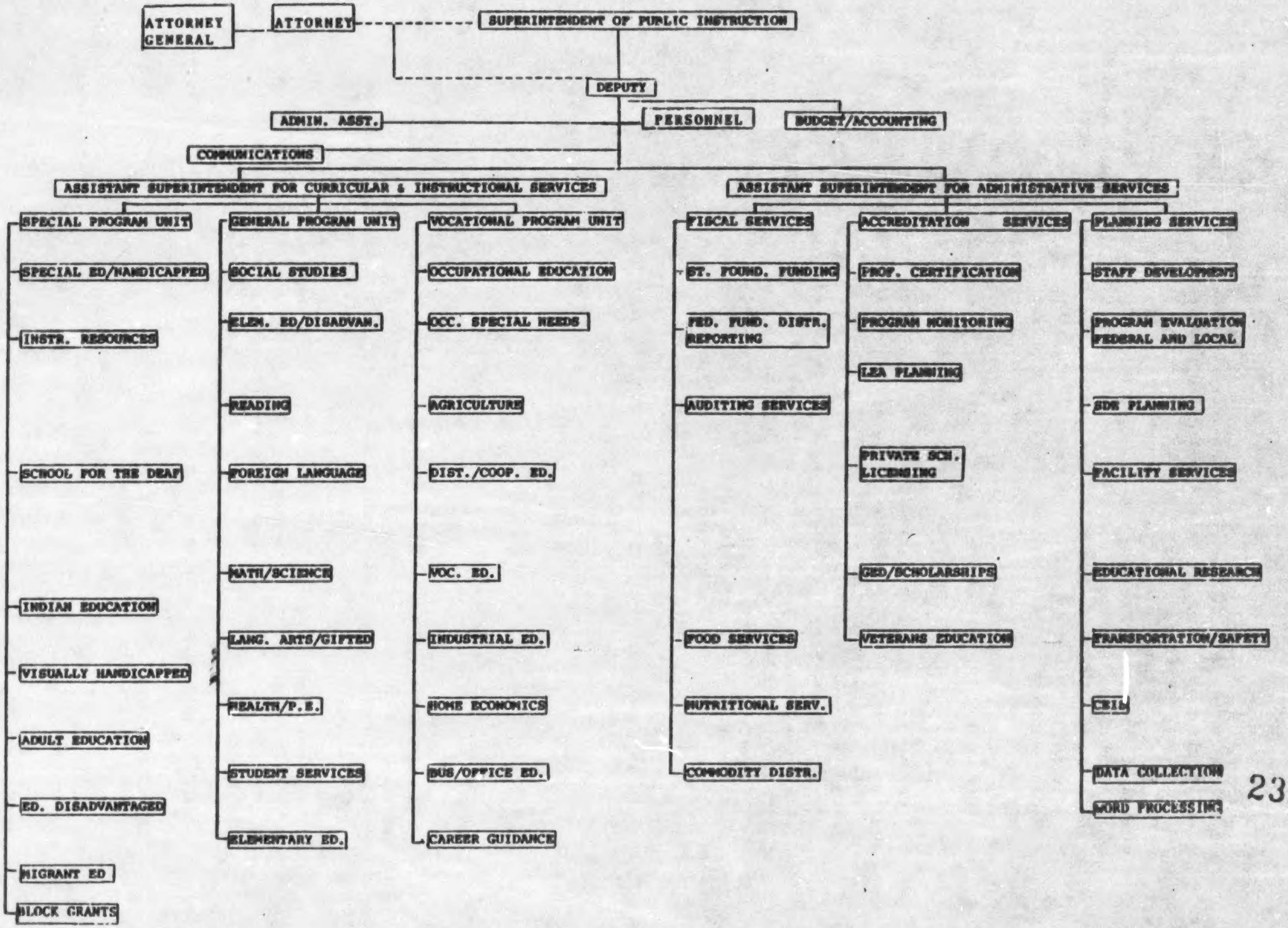
In addition to the changes brought about by participation in federal programs, the Wyoming SEA structure and educational emphases have changed with shifts in the state superintendency, creating transition problems for SEA program staff. Harry Roberts, the Chief State School Officer (CSSO) from 1967-1971, led the controversial LEA unification movement in Wyoming. He also reorganized the SEA, establishing the present Curricular and Instructional Services Division. Robert Schrader, CSSO from 1971 to 1978, moved the SEA away from the curricular emphasis of his predecessor and toward an LEA service orientation. He attempted to obtain increased financial support for the SEA through the federal education programs even though he was highly critical of the federal regulatory burden on states. Lynn Simons, Wyoming's present CSSO, views the SEA staff as instructional leaders in such areas as curriculum and staff development. Her strong support of federal education programs has positively influenced the opinions of many Wyoming educators.

SEA Organization

The major programs within the Wyoming SEA are the general education program, Title I/Chapter 1, vocational education, and P.L. 94-142. These programs are housed in the Curricular and Instructional Services Division, which consists of three program units: General Programs, Special Programs, and Vocational Programs. (See Figure 1 on the following page for SEA organization.) This division supervises and coordinates the general program of instruction within the public schools. Consultants and specialists in various subject matter areas are available to aid teachers and administrators in curriculum development and procedural questions or legal compliance issues. Federal programs are coordinated through this division. It also operates the School for the Deaf and educates the blind.

Indian children in Wyoming, mostly Arapahoes and Shoshones on the Wind River Reservation, attend Fremont County public schools as well as a church-operated elementary school and a non-public high school. Workshops and in-service training for teachers and administrators, sponsored by this division, promote understanding and appreciation of these Indian cultures. The services of the division are provided through state-wide regional or local workshops and conferences.

Figure 1: Organization of the Wyoming State Education Agency, 1982


ATTORNEY GENERAL
ATTORNEY
SUPERINTENDENT OF PUBLIC INSTRUCTION
DEPUTY
ADMIN. ASST.
PERSONNEL
BUDGET/ACCOUNTING
COMMUNICATIONS
ASSISTANT SUPERINTENDENT FOR CURRICULAR & INSTRUCTIONAL SERVICES
ASSISTANT SUPERINTENDENT FOR ADMINISTRATIVE SERVICES
SPECIAL PROGRAM UNIT
SPECIAL ED/HANDICAPPED
INSTR. RESOURCES
SCHOOL FOR THE DEAF
INDIAN EDUCATION
VISUALLY HANDICAPPED
ADULT EDUCATION
ED. DISADVANTAGED
MIGRANT ED
BLOCK GRANTS
GENERAL PROGRAM UNIT
SOCIAL STUDIES
ELEM. ED/DISADVAN.
READING
FOREIGN LANGUAGE
MATH/SCIENCE
LANG. ARTS/GIFTED
HEALTH/P.E.
STUDENT SERVICES
ELEMENTARY ED.
VOCATIONAL PROGRAM UNIT
OCCUPATIONAL EDUCATION
OCC. SPECIAL NEEDS
AGRICULTURE
DIST./COOP. ED.
VOC. ED.
INDUSTRIAL ED.
HOME ECONOMICS
BUS/OFFICE ED.
CAREER GUIDANCE
FISCAL SERVICES
ST. FOUND. FUNDING
FED. FUND. DISTR. REPORTING
AUDITING SERVICES
FOOD SERVICES
NUTRITIONAL SERV.
COMMODITY DISTR.
ACCREDITATION SERVICES
PROF. CERTIFICATION
PROGRAM MONITORING
LEA PLANNING
PRIVATE SCH. LICENSING
GED/SCHOLARSHIPS
VETERANS EDUCATION
PLANNING SERVICES
STAFF DEVELOPMENT
PROGRAM EVALUATION FEDERAL AND LOCAL
SDE PLANNING
FACILITY SERVICES
EDUCATIONAL RESEARCH
TRANSPORTATION/SAFETY
CEIS
DATA COLLECTION
WORD PROCESSING

Recently, the SEA organized a broker system to a) identify common educational needs across Wyoming, b) improve statewide communication, and c) establish an initial SEA contact person for each LEA. The new system, set up in October, 1981, consists of 13 staff members from units within the SEA who act as generalist brokers across the various content/subject areas in their regions. An Administrative Council, composed of the state superintendent, the deputy superintendent, the division and unit directors, and key finance staff, meets to discuss the policies and goals of the broker system. Brokers report to their unit directors concerning each LEA visit; the unit directors then bring broker comments, suggestions and requests for services to the Administrative Council meeting, where the assignments to deliver SEA services are made. The broker system is the vehicle through which the SEA hopes to encourage LEA long-range planning and to achieve better program integration across the general, special and vocational programs units.

Similarly, to improve coordination between the General Programs Unit and the Vocational Programs Unit, the SEA created Curricular Review Teams last year. The General Programs Unit and the Vocational Programs Unit were one unit until three years ago. After the programs split, there was difficulty in coordinating the respective programs. This problem was solved by the Curricular Review Teams, which are composed of staff from both program units and are sent out by the SEA upon request from LEAs.

The other major division of the Wyoming SEA is the Administrative Services Division, which consists of the Fiscal Services Unit, the Accreditation Services Unit, and the Planning Services Unit. This division is responsible for: distribution of state and federal funds; driver and traffic safety education and pupil transportation; school lunch programs; certification of superintendents, principals, teachers, supervisors, and other school personnel; private school licensing; the GED program; and approval of education programs for veterans, their widows, and war orphans.

SEA Image

The image of the SEA has been a concern of its administrators for the past 15 years. Because local control is so strong in Wyoming, the SEA's power rests largely on its staff's ability to inform and persuade LEA administrators. While previous SEA superintendents emphasized technical assistance to LEAs, Mrs. Simons, the present CSSO, has stressed SEA leadership. The SEA has traditionally stayed away from LEA instructional matters. Now the SEA is providing technical assistance with a leadership orientation; that is, SEA staff attempt to assist LEAs to move in specific directions as prescribed by the SEA.

For example, the SEA has just developed standards of excellence in the areas of reading, the arts, social studies, and physical education. These SEA-developed criteria are marketed as optional guides for LEA use.

The extent to which LEAs adopt these standards will depend upon the individual LEA goals and community expectations. Similarly, the State Board of Education is formulating policy regarding student minimum competency, while the SEA (with the support of Title II funds) develops a bank of test items upon which LEAs may draw. Nonetheless, the LEAs are responsible for determining the level of student knowledge in ensuring competency and setting graduation standards. No statewide tests will be required for graduation.

SEA Strengths. The major strengths of Wyoming's SEA, according to senior department administrators, are its dedicated, effective staff and Mrs. Simons' leadership in setting SEA goals and objectives, upon which SEA staff are evaluated. Indeed, most SEA staff have a clear vision of SEA goals and the methods for attaining them. With the creation of the broker system, the SEA has a good service delivery mechanism for providing technical assistance to LEAs. Fiscal management and certification of school personnel seem to be two of the smoothest SEA operations, while program integration and coordination are improving across the SEA.

SEA Weaknesses. The constraints placed upon SEA authority by state statutes and Wyoming's strong tradition of local control pose problems for the statewide implementation of any SEA initiative. For example, SEA evaluation activities occur only in those areas where evaluation is specifically mandated by federal programs. SEA planning capabilities have improved significantly but are far from ideal according to senior SEA administrators. SEA data management is a major weakness in part due to the lack of information provided by LEAs concerning curricular offerings and student characteristics.[1] The lack of a uniform statewide testing program contributes significantly to this SEA weakness and limits the SEA and LEAs in obtaining reliable data for improving instructional programs.[2]

Key Actors in the Education Policy Process

The Wyoming Education Association (WEA) is probably the most active lobby in the state and the only one with a full-time lobbyist. (State Superintendent Lynn Simons is popular with Wyoming teachers and was initially elected to her present position by a large majority.)

The Wyoming School Boards Association (WSBA) derives significant power from the state's long tradition of strong local control. WSBA has a full-time lobbyist only during the periods when the legislature is in session. Because of strong local autonomy, individual school boards and superintendents may at times impact on the education policy process.

---

[1] For example, SEA staff were unable to produce an unduplicated child count for students enrolled in special education programs throughout the state.

[2] In reviewing the draft of this Wyoming case study, the Deputy State Superintendent indicated that a uniform statewide testing program is not desired by the SEA, the LEAs, or the legislature.

Four key Wyoming legislators and one legislative staff member currently influence education policymaking in the state: John Turner, Chair of the Senate Education Committee; Bill McIlvain, Chair of the House Education Committee; Jack Sidi, Chair of the Select Committee on School Finance; Tom Stroock, Chair of the Senate Appropriations Committee; and Joseph Meyer, Assistant Director for Services (legislative staff). It appears that the Wyoming legislature is becoming increasingly involved in education as it is asked by the SEA and LEAs to appropriate more funds for educational purposes.

School Finance

Wyoming has a history of shared financing of public education which began in 1892 with the distribution of Land Income Funds. At that time state proceeds from the sale and leasing of school land were distributed to school districts on a per pupil basis. In 1935 the legislature expanded state aid from these simple flat grants to include equalization aid with a requirement of minimum local effort in order to qualify for aid. The introduction of general aid and a six-mill state property tax was the next step toward achieving a more comprehensive and sophisticated school funding system. By 1955, all of the above mentioned measures had been incorporated into a single foundation program that is, with some modification, still in use today.

The Wyoming School Foundation Fund Program. The intent of the Wyoming School Foundation Fund program is to guarantee a minimum education for every child by providing state financial assistance in inverse proportion to the tax-paying ability of the local school district. School districts that are able to raise large amounts of money through property taxation receive considerably less support, if any, from the Foundation Fund than those districts where a comparable levy raises a smaller amount of money.

State Resources. The money apportioned to the schools from the Foundation Fund has several sources. (See Table 1) All state moneys for elementary and secondary education are placed in the Foundation Fund, except money from the Land Income Fund which, by statutory direction, is earmarked for distribution to school districts on a per pupil basis.

The six-mill state levy on property and oil royalties is the primary source of state revenues for the Foundation Fund. Oil royalties are paid to the state by the federal government, which retained the mineral rights on state lands in the Act of Admission. Approximately 37.5% of all royalties received are paid into the Foundation Fund. Additional state income for the Foundation Fund is derived from motor vehicle taxes, railroad car company taxes, and interest on the investment of the Foundation Fund. (See Table 2)

Local Resources. To qualify for Foundation Fund aid, school districts must levy a tax of 10 mills on the assessed valuation of all property subject to taxation for school purposes. Counties are similarly required

Table 1

Sources of Education Revenues, 1971-72 to 1980-81

Year	Percent of Revenue for Public Elementary and Secondary Education from: Federal	State	Local
1971-72	10.6%	33.8%	55.6%
1972-73	9.3	36.7	52.2
1973-74	8.7	33.1	58.2
1974-75	9.3	33.3	57.4
1975-76	-	-	-
1976-77	6.5	30.7	62.8
1977-78	6.5	29.7	63.8
1978-79	7.0	30.3	62.7
1979-80	6.6	29.7	63.7
1980-81	6.7	28.6	64.7

NOTE:

Revenue receipts for public school purposes from FEDERAL sources include money distributed from the federal treasury either directly to local school districts or through the state and county including grants for vocational education, for NDEA programs, for school lunch and milk programs, for educating Indians in local public schools, and money derived from federal forest reserves and federal oil royalties.

Revenue receipts from STATE sources include all funds for the operation of the state department of education, for state (employer) contributions to retirement systems and/or social security on behalf of public school employees, for grants in aid to intermediate and local school districts for school purposes, for the payment of interest on state bonds issued to provide grants to local school districts, and all other state revenue for public school purposes. Money collected by the state as an agent of a lesser unit and turned over in like amounts to that unit is not included.

Revenue receipts from LOCAL sources include all funds for direct expenditure by local and intermediate districts: for the school services, for the operation of intermediate departments of education, for employer contributions to retirement systems and/or social security on behalf of public school employees, for the purchase of materials for distribution to local districts, etc. Includes gifts and tuition and fees received from patrons.

Source: National Education Association. Rankings of the States, Washington, DC: NEA, various years. All numbers are NEA estimates.

Table 2

FOUNDATION FUND RECEIPTS AND PAYMENTS

Year	Oil Royalties	Six Mill Levy	Car Company Tax	Interest	State Appropriation	Total Receipts	Total Foundation Entitlements
1968-69	8,592,087	472,445	14,182	$261,485	3,000,000	19,528,109	16,490,966
1969-70	9,099,654	529,310	17,756	324,567		17,001,817	21,361,018
1970-71	9,312,351	558,741	16,109	240,888		17,861,931	20,598,855
1971-72	10,542,924	568,129	17,192	163,809	3,766,266	23,183,990	25,022,562
1972-73	10,234,451	636,288	22,196	88,658	5,780,360	25,316,440	25,300,245
1973-74	9,706,332	633,143	17,200	71,570	7,099,942	27,041,993	27,088,257
1974-75	16,696,098	507,400	16,416	130,679	2,179,896	30,015,093	29,906,275
1975-76	17,384,136	416,824	2,560	48,615	7,384,134	38,621,038	38,741,855
1976-77	26,436,055	557,063	19,370	178,603	2,265,229	45,718,803	41,557,308
1977-78	24,602,560	983,225	12,931	246,202	5,758,438	45,178,662	45,197,962
1978-79	26,884,480	1,363,261	18,389	396,052	3,850,345	50,696,897	50,696,897

Source: State Department of Education (SDE). The Wyoming School Foundation Program, Cheyenne, Wyoming: SDE, 1979.

to levy a 12-mill tax on each dollar of assessed valuation of property within the county. The tax is collected on a county-wide basis, and, with assistance from the state, is distributed to districts using the ratio of each district's number of classroom units to the total in the county for the previous school year.

Since flat grants are treated as local resources in the computation of the Foundation Fund entitlements, the third major source of local revenue is the Land Income Fund, which is comprised of proceeds from the sales of school land, mineral royalties from the land, interest derived from investment of these funds, and rentals from grazing, agricultural, and mineral prospecting leases. Once the state has collected the Land Income Funds, they are distributed to counties, and redistributed to school districts on the basis of their average daily membership in the previous year.

Computing Foundation Fund Aid. Most of Wyoming's state education aid is allocated through the Foundation Fund Program which guarantees each school district a minimum amount per classroom unit (CRU). (See Table 3) When CRUs were first used, the state guaranteed a basic minimum of $5,500 — the average cost of operating a classroom at that time — for each CRU.

The weighted classroom unit serves as the basis for calculating all Foundation Fund entitlements. This unit is based on the ratio of a school's average daily membership (ADM) to a numerical divisor assigned to schools by enrollment classification. Additional weighting is allowed for special class units, vocational units, kindergarten units, and one-teacher units. (See Table 4) The value of a classroom unit was $37,300 in 1981-82 school year and is $41,550 for 1982-83.

School Finance Litigation. On June 20, 1978, three property-poor school districts in Wyoming brought action under the Wyoming Uniform Declaratory Judgements Act to challenge the constitutionality of the state's system of financing public education. The defendants in the suit Washakie County School District No. 1 v. Herschler were the Governor of Wyoming, the State Treasurer, the State Superintendent of Public Instruction, members of the State Board of Education, and the eight richest school districts in Wyoming.

As with other Serrano-type suits, this challenge was based upon the equal protection, tax uniformity, and education provisions of the Wyoming Constitution. The appellants claimed that in spite of the requirement to provide a complete and uniform system of public instruction, the state had allowed inequities to arise within its school finance system by relying so heavily upon local ad valorem property taxation. Unlike its predecessors in other states, Washakie County School District No. 1 v. Herschler was dismissed from the court without a clear explanation of the grounds for its dismissal. On appeal, however, the Supreme Court of Wyoming reversed the dismissal and declared the state's system of financing public education to be unconstitutional.

WYOMING

Table 3: State School Aid for Selected Programs, 1978-79

Program	Dollar Amount	Percent of Total
Basic Support Programs	$ 63,643,945[a,b]	92.1%[a,b]
Pupil Targeted Instructional Programs		
Special Education	(6,296,554)[a]	(9.1)[a]
Vocational Education	(6,078,558)[a]	(8.8)[a]
Compensatory Education	---	---
Bilingual/Bicultural Education	---	---
Adult Education	---	---
Pupil Support Services		
Transportation	(2,291,500)[a]	(3.3)[a]
Textbooks, Materials, etc.	---	---
Food Service	---	---
Staff		
Employee Benefits	---	---
Adjustment for District Characteristics		
Poverty Incidence	---	---
Sparcity-Small Schools	(557,666)[a]	(0.8)[a]
Capital Grants	5,478,000	7.9
Total	69,121,945[c]	100.0

---

[a] State aid for special education, vocational education, transportation and sparcity is allocated through the School Foundation Program Fund. Numbers for the Special programs are estimates.

[b] Includes Supplemental Aid distributed to low wealth, high effort school districts.

[c] Does not include $12.3 million from the Common School Land Income Fund which is distributed on a per pupil basis.

Source: Categories and data drawn from Tron, Esther O. (ed.). Public School Finance Programs, 1978-79, Washington, D.C.: U.S. Government Printing Office, 1980.

Table 4

FOUNDATION PROGRAM FORMULA[1]

Foundation Cost

NUMBER OF CLASSROOM UNITS:
Elementary ____
Junior High ____
Secondary ____
Vocational ____
One-Teacher ____
Kindergarten ____
Special Classes ____
TOTAL UNITS ____ x $37,300 =$____

ADDITIONAL FOUNDATION COSTS:
Transportation (3/4) $____
Capital Outlay for buses (2/3) ____
Isolation (3/4) ____
Homebound (3/4) ____
Tuition ____
Supplementary Special Education Costs (232e) ____

TOTAL FOUNDATION COST* $____

Local Resources

DISTRICTS SHARE OF:
12 Mill County Tax $____
Qualifying Levy** ____
Land Income ____
Fines & Forfeitures ____
Forest Reserve ____
Taylor Grazing ____
Motor Vehicle Fees ____
Tuition (3/4) ____
TOTAL LOCAL RESOURCES $____

FOUNDATION COST MINUS LOCAL RESOURCE = ENTITLEMENT $____
SUPPLEMENTAL AID $____
TOTAL ENTITLEMENT $____

*For districts failing to make the necessary tax effort, total Foundation Cost will be reduced proportionately.

**Assessed current valuation times 10 mills in unified districts.

---

[1] The number of each kind of classroom unit is added to give the total number of classroom units to which a particular school district is entitled. The district's total Foundation cost for classroom units is determined by first multiplying the total number of classroom units by the current value of the classroom unit and second, by adding in the additional costs for transportation, maintenance and operation costs and capital outlay for buses, tuition paid, maintenance of isolated and home-bound pupils, and education of handicapped children.

The Foundation Fund entitlement for a district is its total Foundation cost minus its local resources. A district with less than the statewide average assessed valuation per CRU is eligible to receive supplemental aid in addition to its entitlement. This aid is determined by "subtracting the district's average valuation per classroom unit of the entire state, and multiplying the result by 17 mills times the number of classroom units in the district." (State Department of Education, The Wyoming School Foundation Program, 1979, p. 9).

Source: State Department of Education (SDE). The Wyoming School Foundation Program, Cheyenne, Wyoming: SDE, 1979.

In response to this decision the legislature established a 10-member select committee to study methods of correcting the unconstitutional aspects of the school finance system. The Select Committee to Study School Finance, with support from its Advisory Commission, submitted a constitutional amendment to the legislature for presentation to the voters which would empower it to equalize the revenues of school districts by means of a recapture provision. Specifically, the amendment would increase the state's six-mill levy to 12 mills and decrease the 12-mill county equalization levy to six mills. In addition, the legislature asked for the power to recapture up to 75% of the excess that the local levy raised over the statewide average yield per pupil per mill of tax effort.[1] When the proposed model was simulated using 1981-82 figures, the Select Committee found that disparities from rich to poor districts could be reduced from the present level of 400% to approximately 20% for 48 of the 49 districts.[2] The amendment was approved by Wyoming voters in November, 1982.

Education Programs for Special Needs Youth

All special needs programs are housed in the SEA's Curricular and Instructional Services Division, which consists of three units: General Programs, Special Programs, and Vocational Programs. Under the General Programs Unit is the bilingual education program.

Bilingual Education

The concept of bilingual education is not popular in Wyoming. The state's bilingual student population consists of 2,000 Hispanics, 1,000 Native Americans, and 80 Indo-Chinese, or about three percent of the public school student population. Wyoming currently has three federally funded projects in bilingual education: one for Hispanics and two for Native Americans. The average project grant is approximately $120,000 per year. In addition, the SEA receives about $13,000 each year from the federal government for support of state activities in bilingual education.

Wyoming draws heavily upon technical assistance from the regional services centers in Boulder and Albuquerque to support its bilingual program activities. In fact, LEAs contact these centers directly. Seven districts have their own English as a Second Language (ESL) programs rather than bilingual education programs. Four LEAs use ESL programs to meet the needs of their Indo-Chinese students.

---

[1] Education Commission of the States (ECS). Finance Facts, (Vol. 6, No. 1), Denver, Col.: ECS, March, 1981.

[2] Meyer, Joseph B. Draft Progress Report to Members of the Select Committee to Study School Finance and Advisory Commission, Cheyenne, Wyoming: Legislative Service Office, December 22, 1981, p. 2.

Title I

The Titles I, IV, and V programs, along with programs for handicapped and neglected and delinquent students, are housed in the Special Programs Unit. Forty-four of the 49 LEAs in Wyoming participate in the Title I program, which receives about $3.5 million in federal funds. The average LEA allocation from the SEA is $25,000 each year. Approximately 4,000 students receive Title I instruction throughout the state.

In most LEAs, Title I is a pull-out reading program in elementary school, although some districts offer Title I math instruction. Title I students in Wyoming are often not from disadvantaged backgrounds; rather, they are students who suffer academically from the transiency of blue-collar parents employed by the energy companies. It is, therefore, not surprising that Title I test results in Wyoming tend to be much higher than those from other states.

The Title I program serves a class of students that would not be served otherwise. Because no organized constituency lobbies for academically disadvantaged students, the state legislature has shown little interest in this sort of program, and Wyoming has no state compensatory or remedial programs.

Three SEA staff members administer the Title I program. They divide the participating school districts among themselves. SEA Title I staff know all the local Title I people personally. The SEA office functions as a Title I clearinghouse to overcome the isolation from which most local programs suffer. Indeed, the Title I program is quite isolated within the SEA; that is, there has been little coordination/communication with other SEA programs.

State staff do not monitor LEA programs as much as other states because they know the local program people on a one-to-one basis and understand what these people are doing. Instead, SEA staff focus on the provision of technical assistance, especially in the area of curriculum development. Once a year, the SEA holds a statewide Title I conference for teachers and parents to share successful practices with one another since most local Parent Advisory Councils are not active.

The only problem identified by SEA and LEA staff regarding the Title I program in Wyoming is the lack of federal funds to meet the needs of all academically disadvantaged students in the state. Federal requirements such as comparability, supplement/not supplant, needs assessment, and program evaluation have not proven problematic for Wyoming. In fact, only seven districts in the state are affected by the comparability requirement. All LEAs participating in Title I in the state follow a pre-test/post-test program evaluation model.

Title IV

Title IV funds contributed significantly to Wyoming's SEA staff growth. With the decline of ESEA funding, however, Title IV programs and SEA staff associated with them declined. Chapter 2 funds will be used by certain LEAs to continue some remaining Title IV project activities.

Forty-nine LEAs participated in the Part B program, which had a FY 1980 total flow-through to districts of $234,599, or $1.44 per pupil expenditure. The SEA retained $101,250 for the administration of Part B in FY 1980. The criteria used for the distribution of Part B funds to LEAs included: a) student enrollment (57.5%), b) high local tax effort (34.9%), and c) number of high-cost students (7.3%).

Few state priorities have been imposed on the use of these funds. SEA staff report that the program supported a variety of LEA activities. Site visits to local districts revealed IV-B moneys were being used to fund a computer-assisted writing project for high school pupils, an energy education summer program, and a project to increase student awareness of sex-role stereotype problems.

In contrast, the SEA has prescribed the priorities for the use of Title IV-C funds: (a) maintenance of on-going supplementary centers, service demonstration projects, and innovative demonstration projects; (b) development of programs for improving LEA management practices; (c) support for comprehensive educational change with the emphasis on change in the secondary schools; (d) development of basic skills with the emphasis on skill utilization to promote positive student self-concepts; (e) promotion of educational programs and practices which address areas of significant need; and (f) promotion of continuous teacher development programs which integrate successful curriculum change and implementation. The Cheyenne School District, for example, used IV-C moneys to support a music program for handicapped students.

Title V

Wyoming receives about $446,000 in Title V funds. The state's Title V plan for FY 1980-FY 1983 indicates: $51,107 is allocated to the SEA Personnel Office for support of the personnel management improvement system; $91,853 is earmarked for the Office of the Deputy State Superintendent for management/coordination of contemporary educational issues (via the broker system) and other projects; $201,573 is used by the Curricular and Instructional Services Division to provide technical assistance to LEAs; and $101,398 is allocated to the Planning Services Unit for the support of comprehensive long-range planning. SEA staff indicate that Title V funds have improved SEA capacities in such areas as planning and personnel data management.

P.L. 94-142

P.L. 94-142 was a catalyst for the state's School Foundation program for handicapped students. The two programs are "well-married" according to the SEA staff. P.L. 94-142 put "teeth" in the state program because the previous state provisions were weak. The federal program provided the state with a compliance mechanism.

Wyoming serves approximately 9,700 handicapped students with the $1,884,857 it receives under Part B of P.L. 94-142. This FY 1980 allocation was $300,000 higher than the FY 1979 entitlement Wyoming received under Part B. P.L. 94-142 is an excess cost program in the state, and this federal money is quite important to many Wyoming LEAs because it supports special education services/activities that the state might not fund.

The SEA special education staff consists of five members: three to administer and monitor P.L. 94-142, one to manage the state Foundation program for handicapped students, and one to supervise the P.L. 89-313 program for disadvantaged and neglected and delinquent students. With this small SEA staff, heavy monitoring of LEAs in such a geographically large state is not feasible. When site visits to LEAs are completed, SEA staff will delineate for locals any problematic areas identified and follow up this feedback with technical assistance designed to bring LEAs into compliance with federal regulations.

The single, most critical problem in implementing P.L. 94-142 remains the recruitment and retention of highly trained special educators in Wyoming, although federal funds have supported a significant amount of teacher training in the state. Many LEAs lack the sophisticated staff necessary to diagnose student problems properly. Further, many LEAs are unwilling to inform parents of their rights. The concept of free appropriate public education (FAPE) as it relates to costly private school placements for more severely involved students has been the focus of intense criticism by some LEA administrators and school boards (e.g., a Casper case in which the LEA spent $57,000 on an out-of-state placement for a single child). Similarly, the least restrictive environment (LRE) provision has created problems for some small rural LEAs with limited facilities, resources, and alternatives. Initially, the individualized education program (IEP) was troublesome, but in-service training by SEA staff has resolved this problem -- although LEAs still complain about the paperwork burden related to IEPs. Throughout the state, transportation costs and the interpretation of the related services concept continue to be problems for most local districts.

School Foundation Program for Handicapped Students

While the state Foundation program existed prior to the advent of P.L. 94-142, it basically was a funding mechanism providing for special student classroom units. For example, the Foundation program reimburses LEAs for special classes in units of 10 educable and eight trainable mentally retarded pupils. With the initial implementation of P.L. 94-142, Wyoming simply amended the state procedures and regulations already in place to reflect the federal rules and regulations. P.L. 94-142 was viewed by SEA staff as a convenient vehicle for overcoming the obstacles of local control in establishing improved LEA programs and services for handicapped students. Currently, the (FY 1980) cost of the School Foundation program for handicapped students exceeds $28 million. Since the SEA is unable to produce an unduplicated child count, the P.L. 94-142 count of 9,700 handicapped students is the only state figure available.[1]

P.L. 89-313 -- Handicapped Program

Wyoming received $735,865 in FY 1982 under P.L. 89-313 for the support of state-operated programs for handicapped students. These funds are used by four state schools/hospitals in programming for severely mentally retarded, deaf, and blind students. In addition, 32 developmental disability centers for preschool handicapped students throughout the state receive a portion of these moneys. Of the 1,042 students served with 89-313 funds, 818 are preschool handicapped students. The only problems identified by SEA staff were the lack of communication and coordination across education, public welfare, and social service agencies involved in programming for handicapped students.

P.L. 89-313 -- Neglected and Delinquent Program

Three Wyoming correctional agencies received $134,342 under P.L. 89-313 in FY 1982 for the programmatic support of 153 neglected and/or delinquent students. Recently, LRE efforts have reduced the number of students in all state-operated programs. In spite of interagency agreements, however, the problems of multi-agency coordination and lack of communication remain as obstacles to effective service delivery for these students.

Vocational Education Program

The vocational education programs comprise the third unit of the SEA's Curricular and Instructional Services Division. All moneys, approximately one million dollars from the federal government and $21 million in state funds, flow through the same state Foundation formula, which is also used for the distribution of set-asides. Four criteria are used by the SEA in calculating the vocational education allocation for each LEA: a) the district's financial ability to support vocational education, b) the number of low-income families in the district, c) the level of economic depression in the region served by the LEA, and d) the LEA's intention to support new and/or innovative programs in vocational education.

While 65,000 Wyoming students take some vocational education class, only 10,000 pupils are enrolled in vocational education programs, i.e., a specific series of classes organized toward various occupational goals. State and federal vocational education goals are identical since the former were modeled after the latter according to SEA program staff. Similarly, the state planning requirements in vocational education are derived from their federal counterparts. But, SEA staff indicate that they are now trying to develop a state plan which will more accurately reflect Wyoming's vocational education needs. Currently, the SEA vocational education staff consists of 10 professionals and six support staff with federal funds supporting 50% of the total staff. The State Board of Education serves as the State Board of Vocational Education in Wyoming.

---

[1] SEA program staff were unable to provide separate child counts for the Foundation and P.L. 94-142 programs.

The postsecondary vocational education program in Wyoming is controlled by the Community College Funding System (with a few exceptions). Given the strong local autonomy of this program, the extent of coordination between postsecondary vocational education and other community college programs varies considerably from region to region. In addition to the 4,000 full-time students enrolled in two-year programs, another 8,000 part-time adult students attend postsecondary vocational education classes.

SEA staff suggest that the state is 10 years behind the rest of the country in vocational education. They are just now getting LEAs to focus on total vocational education planning. The Vocational Education Act (VEA) was instrumental in getting Wyoming to formulate goals for vocational education which addressed national priorities and provided direction for LEA programs. However, the inconsistent interpretation of VEA regulations (e.g., the distribution formula) by federal program officers is a real problem for state staff. Similarly, coordination with other programs such as Title I and special education has been difficult because of a lack of SEA program staff in all federal programs. SEA vocational education staff are currently developing a framework to encourage such coordination.

The threatened federal budget cuts in vocational education will not have a significant impact on LEA programs because they receive so little federal money. Services such as technical assistance, provided by SEA staff to local districts, however, will be severely curtailed if the Wyoming legislature does not make up the federal cutbacks at the state department. This technical assistance to LEAs by state staff is currently needed to a) improve LEA planning in vocational education in some districts, b) encourage LEAs to address sex stereotyping, which is not a priority for many Wyoming districts, and c) train vocational educators to work with special needs youth. Indeed, the present set-asides are not adequately funded to train personnel to work with disadvantaged and handicapped students.

Civil Rights Programs

All issues related to Title VI, Section 504, and Title IX are handled by the Personnel Officer of the Wyoming SEA. Because of the state's long tradition of strong local autonomy, SEA staff downplay compliance in these areas and emphasize positive impact on the educational process via technical assistance. LEAs are encouraged to examine their own programs. The vast majority of districts in Wyoming have a "That's no problem here..." orientation to civil rights issues. Further, many LEAs are not convinced that Title IX is a legitimate educational concern, but rather a civil rights issue. SEA staff indicate that perhaps three controversies each year are brought to the SEA under Title IX -- issues that probably could be handled under Title VII. The low incidence of Title IX controversies was explained as "the cultural ethos" of the state; that is, most Wyoming women are happy as they are.[1]

Similarly, SEA staff indicate that most Wyoming citizens feel that minorities are treated fairly in their state. Title VI is "our blind spot," according to personnel staff. In contrast to the lack of civil rights initiatives in Wyoming under Titles VI and IX, the state's public facilities would have been made accessible to handicapped persons without the federal initiative under Section 504, largely because of the current Governor's understanding of the accessibility problems presented by limited mobility. Section 504 did, however, help to increase general public awareness in Wyoming of the accessibility problems of handicapped persons.

Chapters 1 and 2

The SEA Title I staff asked principals, teachers, and parents across the state's LEAs to recommend desired changes in the old Title I regulations that might subsequently be addressed in the new Chapter 1 regulations. State staff indicate that respondents wanted no changes in previous Title I regulations because LEA personnel and parents believe the Title I program is effective and should continue as is. (Nonetheless, Mrs. Simons did streamline the Title I regulations in developing Wyoming's Chapter 1 guidelines.)

SEA staff feel that the new Chapter 1 regulations are ambiguous. They fear that they will actually lose flexibility under them. For example, the "additional duties" a Title I teacher may perform are not specified in the Chapter 1 regulations as they were in the Title I regulations.

Wyoming submitted its Chapter 2 application by the March 1, 1982, deadline. The state will receive 30% less money under Chapter 2 than it previously received under the individual categorical programs. SEA staff are concerned about the reduction in funds for use by the SEA to support state staff positions. Because the Wyoming legislature funded four additional SEA positions during its last session, the SEA will not be forced to terminate staff positions during the next fiscal year. If, however, the legislature does not make up the additional federal cuts next session, the SEA may have to reduce positions and perhaps services to LEAs.

Wyoming was on schedule with the distribution of Chapter 2 funds. Districts received more money than in the past -- approximately $13 per pupil -- but the SEA received less even though it retained the full 20% of the Chapter 2 allocation. The following criteria were used by the SEA to allocate Chapter 2 funds to local districts: a) local tax effort, b) sparsity/isolation, c) Title I participation, d) student enrollment, and e) special program offerings (e.g., gifted and talented programs).

---

[1] It should be noted that Wyoming was the first state to permit women to vote. Further, three of five elected state officials are women (1979-83 term), and 30% of the current House of Representatives are women.

The Chapter 2 coordinator indicates that the SEA's key responsibilities under Chapter 2 will be monitoring of, and technical assistance to, Wyoming's LEAs. The SEA will probably wait to determine what needs the local districts have before deciding specifically how best to provide services to LEAs. State staff do, however, plan to conduct monitoring and accountability activities. Evaluation efforts under Chapter 2 are not likely to be a priority because the SEA doesn't have a strong capabilility in this area.

The Interactions of Federal and State Policies and Programs

The following sections review the information obtained from Wyoming policymakers regarding the interactions of federal and state policies and programs. The effects of these interactions are discussed as they relate to the SEA as an organization, the Wyoming political environment, and the federal/state mix of educational policies and programs.

Effects on the SEA as an Organization

Title V supported the SEA's personnel management improvement system, educational issues management coordination system, LEA assistance, and comprehensive long-range planning. Aside from these SEA initiatives, federal programs have not altered significantly the organizational structure of the SEA, perhaps because Wyoming receives much less federal funding than other SEAs and because the state education agency is not organized along federal program lines.

SEA staff indicate that federal programs have increased the size of the SEA significantly. The SEA doubled in size, from 36 to 40 to 75 or 80 within three to four years of the advent of ESEA. Since then 30 additional staff members have been added. While 80% of the SEA staff were federally funded 20 years ago, only about 50% are supported by federal funds today. Of the 61 staff members in the Curricular and Instructional Services Division, 29 are federally funded positions at present: 2 professionals and 3 support staff in special education, 5 professionals and 3 support staff in vocational education, and the rest in the CETA, migrant, bilingual and general education programs. The federal programs which contributed most to SEA growth were Titles III, IV, V, and the CETA programs.

Similarly, the three B.O.C.E.S. serving low-incidence handicapped students in Wyoming are direct outgrowths of P.L. 94-142. They were established to provide services to handicapped students that LEAs individually could not afford to provide.

Federal programs have increased SEA monitoring and enforcement activities especially in the area of special education. The SEA emphasis remains technical assistance to LEAs (as opposed to a compliance orientation) because of the traditionally strong local control in Wyoming; however, the nature of the technical assistance has shifted from programmatic to procedural. Furthermore, federal programs have increased the SEA planning and, to a lesser extent, evaluation capacities. In addition, federal funds were used by SEA leadership to establish a systematic approach to managing and coordinating policy issues. SEA personnel management practices have improved through Title V support. Finally, SEA management has encouraged SEA staff to function more as generalists than as curricular specialists, and to shift from an emphasis on content (e.g., reading) to a focus on process (e.g., coordination, communication, needs assessment).

Effects on the Wyoming Political Environment

Federal programs do not appear to have altered the political relationship between the SEA and other political actors in the state. The Governor for the past eight years has not become involved in educational issues in Wyoming. In general, legislators know very little about the federal education programs. However, the federal education programs have created tensions between Lynn Simons (CSSO) and the legislature. Mrs. Simons, a strong supporter of federal programs, successfully led the opposition to the legislators calling for the state's withdrawal from continued P.L. 94-142 participation.

Federal programs have increased somewhat the number of special interest groups, particularly those concerned with handicapped and gifted/talented issues. The involvement of such groups in state allocation and programmatic decisions has not increased appreciably; however, at the LEA level, special interest group activities have intensified. The high level of LEA autonomy in Wyoming may explain this local orientation of special interest group efforts.

Support for federal education goals and activities outside the SEA in Wyoming varies considerably. LEAs support Title I, and local special educators staunchly support P.L. 94-142; however, some LEA administrators and school board members express concern over the costs of related services and private placements given the low level of P.L. 94-142 funding.[1] Regular class teachers complain about mainstreaming efforts under P.L. 94-142. Similarly, some legislators question the benefits of state participation in P.L. 94-142, and legislative support for Title I is lukewarm. There is little, if any, support outside the SEA for civil rights or bilingual education. Support for VEA goals and activities varies across LEAs from nonparticipation to enthusiastic program implementation.

Wyoming is not experiencing any fiscal stress. Nonetheless, last year, resources and services for Title I students at some LEAs were reduced as administrators anticipated forthcoming federal cuts. Limited

---

[1] P.L. 94-142 has never supported on average more than 12% of the excess costs associated with the provision of special education services.

English proficient (LEP) students may suffer similar reductions in services during the coming school year according to SEA staff. Thus, while targeting provisions and service standards ensure some services to handicapped, disadvantaged, and LEP students, the level of services will probably decline with federal cutbacks if the state remains unwilling to make up the federal cuts. Further, should service standards be relaxed through the proposed revision of P.L. 94-142 regulations, state and local special educators fear that the state may be pressured by local school boards and superintendents to relax state standards also.

State education policymakers indicate that federal leveraging provisions have increased state and local spending for disadvantaged and handicapped students in vocational education. However, SEA vocational staff complain that the set-aside and personnel training funds under VEA are inadequate to train vocational educators to work with disadvantaged and handicapped students.

The Influence of State Priorities on Federal Programs

While the Wyoming SEA utilizes the federal requirements to force compliance from autonomous LEAs, the SEA does not impose requirements beyond those stipulated by the federal government. The federal requirements are the state requirements in compensatory, special, and vocational education programs. However, the SEA allows the federal auditors to bear the blame in SEA compliance controversies with angry LEA administrators. At the local level, responses range from not being able to distinguish federal from state requirements to frustration with the SEA for failure to articulate more clearly the federal requirements (e.g., clearer definition of "related services" under P.L. 94-142).

The state's strong local control and a lack of SEA funds/incentives as well as LEA motivation combine to form a hotbed of apathy in the pursuit of equity. Titles VI and IX are just not perceived as relevant issues in Wyoming by many education policymakers. In contrast, the state's positive response to Section 504 may be traced to the current second-term Governor. That is, the issue of handicapped persons' accessibility to public facilities enjoyed increased public awareness in Wyoming because of strong state political support for the 504 agenda.

In assimilating the Title I program, Wyoming has been able to use compensatory funds to serve academically disadvantaged students, as well as economically disadvantaged pupils, and to address the basic skills deficiencies of transient students whose parents work for the energy companies in the state. This adaptation is possible because of the small size of most districts in Wyoming (e.g., only one or two elementary schools). As a result the Title I comparability requirement is relevant to only seven LEAs in the state. However, in implementing P.L. 94-142 and VEA the state adapted policies and procedures to reflect the federal regulations in special and vocational education.

The Influence of Federal Program Signals on State Programs and Practices

Wyoming's Title I program is the only compensatory education program in the state. The state's current special and vocational education programs have been driven by P.L. 94-142 and the VEA, respectively; that is, they serve as additional funding mechanisms to support the implementation of the federal programs and provisions. In short, the federal programs/provisions are basically the state programs/provisions.

Because the state receives no state or federal funds to implement Titles VI and IX, it can offer no incentives to autonomous LEAs for pursuing an equity agenda. Since many local administrators and school boards do not perceive racial or sex inequities as problems in Wyoming, the long tradition of local control protects the status quo in their districts.[1] The isolation of many Wyoming LEAs also contributes to status quo maintenance by filtering outside forces for change.

Despite Wyoming's strong local control tradition, the federal programs, especially P.L. 94-142, have given the SEA the compliance vehicle to exert more control and leadership over the highly autonomous LEAs throughout the state. The VEA assisted state staff in getting LEAs to address sex equity issues and conduct comprehensive planning in vocational education. Federal programs have required LEAs to provide the SEA with program and student data traditionally not collected by the SEA. These data will assist state staff in identifying common educational needs across the state. Both Title I and P.L. 94-142 staff indicate that many LEAs probably would not have provided current programs and services for disadvantaged and handicapped students without federal compliance mechanisms.

Wyoming SEA staff alter state policies and procedures in special and vocational education to reflect changes in federal policy/regulations regarding P.L. 94-142 and VEA, respectively. For example, SEA staff adjusted individualized education program (IEP) guidelines in the state to reflect P.L. 94-142 regulations. Similarly, state vocational education staff adjusted the state distribution formula used to allocate vocational education funds at the request of their federal program officer. Title I staff at the SEA are probably more autonomous than special or vocational education staff, though all three areas enjoy more autonomy within the SEA than other SEA staffs. However, this autonomy appears due more to the prescriptive nature of the three federal programs (i.e., Title I, P.L. 94-142, and VEA) than to any personal ties to federal counterparts or national organizations; the prescriptiveness of these three programs perhaps inhibits their assimilation into the broader SEA agenda. Certainly, Wyoming's geographical distance from Washington, the state's anti-big government/bureaucracy attitude, and the isolation it enjoys as a sparsely populated, rural state somewhat deter close SEA staff relations with federal counterparts and national organizations.[2]

---

[1] In reviewing this case study, SEA management disagreed with this statement.

[2] Certain SEA officials disagreed with this observation.

The Consequences of Federal and State Program Interactions: Conflicts and Problems

Federal policy and program regulations appear to drive state policy and regulations particularly in the areas of special and vocational education. While the Title I program is the only compensatory education program in Wyoming, the state has successfully adapted this federal program to address the basic skills deficiencies of transient students whose parents work for the energy companies in Wyoming. Federal policy shifts or regulation changes in these three major federal education programs cause Wyoming SEA staff to shift state policy and change state regulations accordingly.

In contrast, the Wyoming SEA has remained aloof from implementing the federal civil rights requirements under Titles VI an IX because of strong local control and the conservative individualism of Wyoming's citizens. Again, because bilingual education is not a popular concept in the state, only three LEAs have applied for federal funds in support of local bilingual programs. However, the 504 accessibility initiative has enjoyed strong political support and significant public awareness in Wyoming.

Federal education programs, in shifting some SEA emphasis from technical assistance toward monitoring, have caused political tensions at times between the SEA and LEAs that want federal funds but refuse to relinquish any local control. These SEA-LEA political tensions are particularly characteristic of P.L. 94-142 and VEA implementation efforts.

While the SEA organizational structure and staff currently reflect federal emphases in such areas as planning, evaluation, and monitoring, SEA staff indicate that federal cuts may cause subsequent staff reductions in these areas. Despite Wyoming's sound fiscal health, the conservative legislature is not expected to make up federal education cuts. The traditional conservatism and the anti-big government attitude of the state legislature constrain the SEA's attempts to institutionalize the SEA capabilities developed as a result of federal programs.

Summary

Federal programs have increased the staff size of the Wyoming SEA significantly, and they have expanded the organizational structure of the SEA. Further, federal programs have increased SEA monitoring and enforcement activities especially in the area of special education. Similarly, these programs have improved the SEA's planning, evaluation, and personnel management capacities.

The state's special and vocational education programs have been driven by P.L. 94-142 and the VEA, respectively. Wyoming's Title I program is the only compensatory education program in the state. In contrast, federal efforts under Titles VI and IX, as well as bilingual education initiatives, have met with little success in Wyoming due to their lack of popularity with LEAs in a state with a long tradition of strong local control.[1]

Related to the special needs focus of this study, probably the most important contribution of federal education programs has been that federal funds bought staff time and know-how for desperately needed teacher training in Wyoming, especially in the area of special education. Further, these funds bought evaluation and technical assistance for every federal program, with the outcome that the SEA staff learned those skills. Currently, in the SEA, federal education programs support nearly all the staff for curricular services, as well as the staff for the new broker system, which is designed to be more responsive to district needs, create more effective communication between the SEA and LEAs, and provide curricular technical assistance. From the Wyoming point of view, some of the drawbacks of these federal initiatives, however, have included: the proliferation of advisory councils; the uncertainty of funding and the frequent change and adjustment of regulations; the inappropriateness of many programs designed for urban, inner-city areas, yet applied to small, rural Wyoming without adjustment; and the heavy reporting requirements that required extra personnel in many Wyoming LEAs.

While federal programs have had some demonstrable impact on educational policies and practices in Wyoming, these impacts are overshadowed by the prevailing political culture and traditions of the state. Most federal-state interactions must be viewed relative to the larger state context. In education, state attention primarily focuses on the issues of school finance equity and adequately accommodating the academic and social problems presented by families following energy and mineral extraction work. Strong traditions of local control and local determination of needs place limitations on state government in general, and the SEA in particular, as a forum for resolving problems. For instance, Wyoming officials report that they have selectively chosen federal programs in which to participate (although the state participated in all the programs examined in this study). Relatedly, the Wyoming SEA exerts a cautious leadership role over state educational practices maintaining a delicate balance between imposing requirements and assisting districts in addressing their educational problems.

---

[1] SEA officials reviewing this case study took exception with some of these conclusions.

GLOSSARY

Acronym	Term
ADA	Average Daily Attendance
ADM	Average Daily Membership
AFDC	Aid to Families with Dependent Children
AFT	American Federation of Teachers
ARS	Administrative Review Service
AVC	Area Vocational Center
BEST	Basic Essential Skills Test
BOCES	Boards of Cooperative Educational Services
CAP	California Assessment Program
CETA	Comprehensive Training and Employment Act
COH	Committee on the Handicapped
CRA	Civil Rights Act
CRU	Classroom Unit
CSSO	Chief State School Officer
DESE	Department of Elementary and Secondary Education
DR	Department Representative
ECE	Early Childhood Education
ECIA	Education Consolidation and Improvement Act
ED	U.S. Department of Education
EDY	Education for Disadvantaged Youth
EIA	Economic Impact Aid
ESAA	Emergency School Aid Act
ESC	Division of Elementary and Secondary Education
ESEA	Elementary and Secondary Education Act
ES/ID	Education Standards/In-Depth Review System
ESL	English as a Second Language
FAPE	Free Appropriate Public Education
FY	Fiscal Year
GAO	General Accounting Office
GTB	Guaranteed Tax Base
IEA	Intermediate Education Agency
IEP	Individualized Education Program
ISA	Intermediate State Agency
LEA	Local Education Agency
LEP	Limited English Proficient
LRE	Least Restrictive Environment
MALCD	Missouri Association for Communication and Learning Disabilities
MARC	Missouri Association for Retarded Citizens
MIS	Management Information System
MNEA	Missouri National Education Association
MOA	Methods of Administration
MP	Master Plan
MSTA	Missouri State Teachers Association
NDEA	National Defense Education Act
NEA	National Education Association
NMARC	New Mexico Association for Retarded Citizens
NYSED	New York State Education Department
NYSSBA	New York State School Boards Association
OCR	Office for Civil Rights
OECHC	Office for the Education of Children with Handicapping Conditions
OEP	Optional Education Program
OPER	Office of Program Evaluation and Research
PAC	Parent Advisory Council

GLOSSARY

Acronym	Term
PEP	Pupil Evaluation Program
P.L.	Public Law
PSEN	Pupils with Special Educational Needs
PSF	Public School Finance Division
RAP	Resource Allocation Plan
ROC	Regional Occupational Center
ROP	Regional Occupational Program
SCE	State Compensatory Education
SDE	State Department of Education
SEA	State Education Agency
SIP	School Improvement Program
SOL	Standards of Learning
SOQ	Standards of Quality
SPI	Superintendent of Public Instruction
SSC	School Site Council
SY	School Year
TA	Technical Assistance
USOE	United States Office of Education
VEA	Vocational Education Act
VEDS	Vocational Education Data System
WEA	Wyoming Education Association
WSBA	Wyoming School Boards Association